

Legislature of Ontario Debates

Third Session of the Thirty-First Parliament

November 19-December 20, 1979

HON. FRANK S. MILLER

Ontario

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Legislature of Ontario Debates

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Monday, November 19, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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ERRATA

The following errata for the Third Session of the 31st Parliament (March 6 - December 20, 1979) have already appeared in previous daily issues of Hansard. They are reprinted here in bulk so that subscribers can ensure that the corrections have been made.

No.	Page	Column	Line	Should read:
8	255	1	23	total expenditure ceiling of $14.482 billion
8	255	1	30	billion for 1978-79 will be maintained.
23	977	1	26	Mr. Foulds moved first reading of Bill 60.
33	1399	2	32	Harry Barrett. It takes us back to the early
46	1910	2	48	guess I can put it very simply. Bishop Legurrier
49	2018	1	38	92, An Act to amend the Railways Act.
49	2018	2	4	of Bill 93, An Act to provide for the Holding
49	2018	2	9	of Bill 94, An Act respecting the Anglican
49	2018	2	46	Bill 95, An Act to amend the Regional Muni-
49	2019	1	5	Bennett, moved first reading of Bill 96, An
49	2019	1	21	Mr. Martel moved first reading of Bill 97,
53	2177	1	49	Bill 33, An Act to amend the Agricultural
56	2307	2	18	PROVINCIAL COURT
56	2328	1	3	Provincial Court (Civil Division) Project Act, Mr. McMurtry, first reading 2307
56	2287	1	8	over civil claims up to $3,000. The bill
58	2388	2	50	116, An Act to amend the District Municipality
76	3076	1	45	**Mr. Gregory:** There certainly was.
77	3190	1	7	Bill 140, An Act to amend the Executive Council Act.
77	3190	1	Following 6	Bill 140, An Act to amend the Executive Council Act
88	3697	2	53	**An hon. member:** It sure won't be the member.
95	3975	2	42	Bill 158, An Act to amend the Regional
97	4069	1	18	the bids and the contract went to Grumman
103	4309	2	16-17	property. There has always been ample liability on a child with respect to his liability for torts.
105	4377	1	23	**Mr. Breaugh:** A slight point of order:
135	5451	1	18	the province takes $15 million out of the
G-1	G-9	2	22	that up by a couple of million dollars.

LEGISLATURE OF ONTARIO

MONDAY, NOVEMBER 19, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

MISSISSAUGA TRAIN FIRE

Hon. Mr. McMurtry: Mr. Speaker, I rise on behalf of this government and, I know, every member of this Legislature to say thank you to the residents of Mississauga and all those who played supportive roles during the events of last week.

Courage, forbearance, grace and compassion, these and a host of other words can be used to describe those involved in the largest evacuation in our country's history. With the eyes of the world on Mississauga last week, the actions of those people did the rest of us proud. All through that hectic week we received some incredulous phone calls from officials in other countries questioning how an evacuation of 240,000 people could proceed so well with so few incidents.

There were those prior to the evacuation who would have said it was impossible. But those residents, aided by courageous police and firemen, the Canadian Red Cross, St. John Ambulance, the Salvation Army, Boy Scouts, Girl Guides, humane societies, many other organizations and a vast army of volunteers, did it.

These people have written a new, and for a change, inspiring chapter in the melancholy history of disasters. I think it is also important to note, with many parts of the world in chaos and with some degree of divisiveness here at home, the residents of Mississauga have taught us that we as Canadians can surmount any difficulty when we pull together in a common cause. They have taught us what we can accomplish with compassion and plain, old-fashioned good neighbourliness.

The residents of Mississauga, Canada's ninth largest city, are a typical cross-section of people from all walks of life who make up the population of Canada. To the pessimists across this land I say, "Look to the people of Mississauga and those who helped them to see what we can accomplish in the face of adversity."

As for the accident itself, I want to assure the members of the Legislature, the residents of Mississauga and the other citizens of our province a full and complete investigation is under way and has been under way since the outset. As a government, we are determined to ensure such a potential catastrophe and large-scale inconvenience to our citizens does not happen again. As the investigation proceeds, we will be keeping the Legislature and the public informed of our findings.

At this point I had hoped to read into the record a list of the organizations, companies and other groups that played such a critical role in supporting local and provincial officials as they coped with the events of last week. That list is extensive and is still being compiled by Mississauga officials. As one who saw at first hand the efforts put out by so many, I can only repeat my thanks to all of them involved in the enormity of that effort.

In the gallery, I would like to commend to this House four people, representatives of all who played crucial and exemplary roles on behalf of the citizens of Mississauga and of all Ontario last week. One of them sprained her ankle during the course of the week, but still carried on as an inspiration to her citizens.

Another made the initial decision to evacuate. His coolness under an immense amount of pressure made a tremendous personal impression on everyone.

The third heads the Mississauga fire department. Words really are inadequate to describe the courage and dedication of those in the front line of this particular battle. At this time certainly our thoughts and our prayers go out to firefighter John Engel in the Queensway Hospital. We all wish his recovery. He is not forgotten.

The fourth is from the Canadian Red Cross, representing all the volunteers and agencies. One has only to ask any policeman or fireman what those volunteers meant to the operation and the evacuees.

Let this House salute Mississauga Mayor Hazel McCallion, Peel Regional Police Chief Douglas Burrows, Chief Gordon Bentley of the Mississauga fire department and Brigadier-General James F. Westhead of the Canadian Red Cross.

Applause.

Hon. Mr. Gregory: On a point of privilege, if I may for a moment, I would like to thank the Solicitor General for his kind remarks in regard to the people of Mississauga. I certainly would like to share in his remarks in giving credit to the four people sitting in the gallery. As a representative of that area, it makes one very proud to have them here after that having happened and to be able to express to them our good wishes and our congratulations. It is a pleasure for me to do so.

Mr. Sargent: I think this House should express its thanks to the Solicitor General too.

Mr. Kennedy: I too would identify myself with the tributes that have been paid in recognizing the service and duty, I think it can be fairly stated, above and beyond the normal call.

On reflection, I think we have a spirit not only of that recognition but of thankfulness that there were no casualties other than those the Attorney General mentioned, and we wish John Engel speedy recovery.

I add my tribute to Mayor McCallion, Chief of Police Doug Burrows, Fire Chief Gord Bentley, and of course Brigadier-General Westhead who represents the Red Cross, and to all those other volunteer agencies the Attorney General has referred to who will later be recognized.

Mr. Cassidy: I think the representatives of Mississauga who are here should know that for many years to come their work and the work of thousands of other people working with them or for them as volunteers in the evacuation and in the emergency in Mississauga will be studied and seen as a model throughout this continent and, as a matter of fact, throughout the world.

I want to join with other tributes that have been paid to the work all the people of Mississauga and the authorities of Mississauga carried out in assuring the emergency was handled without any loss of life.

Mr. T. P. Reid: Mr. Speaker, on behalf of the Liberal Party, in this case, we would like to associate ourselves with those remarks made by the Solicitor General. I would say the people who have been recognized on an individual basis in the gallery today certainly showed true grit through this potentially very disastrous situation.

We want also to commend publicly the Solicitor General for the fine job he did under very trying circumstances.

Perhaps, Mr. Speaker, it wouldn't be remiss if we also, because we do this even more rarely than commending the Solicitor General, commend the press for the most responsible job I believe they did in covering this. Of course, we all thank God the disaster wasn't any more serious than it in fact was.

ORAL QUESTIONS

MISSISSAUGA TRAIN FIRE

Mr. T. P. Reid: I have a question relating to the Mississauga problem. Can the Attorney General tell us in the House this afternoon whether he has advised either Mississauga or the residents of that area on how to approach the liabilities, the costs for what happened in this disaster? Could he also tell us whether the province of Ontario intends to sue Canadian Pacific for the costs involved, the extra OPP, the ambulance service and all the associated provincial costs related to this?

Hon. Mr. McMurtry: Mr. Speaker, so far as the cost to the government of Ontario is concerned for the OPP, ambulance, and Ministry of Health, which come immediately to mind, I have instructed the law officers of the crown to meet immediately to determine the appropriate action that might be commenced. Of course I think it is too early to state who might be sued in these circumstances, but certainly the odd name comes to mind. We will certainly pursue the appropriate legal avenues in this respect. I expect to have more to report back to the House on this in the relatively near future.

In so far as the citizens of Mississauga are concerned, I have instructed my law officers to render whatever assistance might again be appropriate to the solicitors employed by the city of Mississauga. Furthermore, the mayor of Mississauga and I have discussed what assistance might be given to individual citizens who have losses, either through their businesses or personally.

[2:15]

We have discussed with some of the Mississauga solicitors some vehicle which might provide citizens with helpful legal advice initially as to what they should consider, what they should contemplate, in so far as looking at reimbursement in relation to their losses is concerned. I understand there is a solicitor who is working on the possibility, for example, of establishing legal aid clinics for this initial advice.

Obviously, each citizen who has any significant loss may wish to consult his or her own solicitor as to what might be the most effective method to recover out-of-pocket expenses or any other loss but, certainly, we were addressing this question over the weekend and will continue to address it in the days ahead.

Mr. T. P. Reid: Supplementary: Would the Attorney General perhaps answer a somewhat philosophical question? Would he not agree that the province should not get into compensating Mississauga for the loss and the over-budgetary expenses for this disaster, but that compensation for those funds should come from those who caused the accident—if you want them to remain nameless at the moment—or are responsible for it, and not from the taxpayers' dollars?

Hon. Mr. McMurtry: I agree entirely with that.

Mr. Kennedy: Mr. Speaker, the inquiry is to be made by the Canadian Transport Commission, a federal agency. In view of the fact that there are four levels of responsibility in an incident such as this—federal, provincial, regional and municipal—could the minister enlighten the House as to the liaison that might take place or the role the province will play in this inquiry? Are we to be a partner in this or will the province be giving testimony? Could he enlighten us on that, sir?

Hon. Mr. McMurtry: Yes, I will attempt to do that. The Canadian Transport Commission has announced the commencement of an inquiry, I think on December 4. I am not sure of the state of that inquiry at this time because I had a discussion about this with the federal Minister of Transport at the end of last week, the Honourable Donald Mazankowski, and indicated to him that I felt there should be a much broader inquiry than the type that would be contemplated by the legislation that requires the Canadian Transport Commission to have its own inquiry. The federal Minister of Transport certainly indicated his agreement with that and the federal government is presently considering the nature of the inquiry that should be held.

The federal minister has assured me that no decision will be made in relation to that broader inquiry until the province of Ontario has had an opportunity to make representations with respect to the scope of the inquiry, the terms of reference, of course, and, indeed, who is going to conduct it. I have also been assured the city of Mississauga would be consulted before any final decision is made and I have given the mayor of Mississauga my personal assurance I will do everything within my power to see that she and her colleagues are consulted.

I expect to be meeting with the federal Minister of Transport within the next few days, after meeting with my own colleagues in the provincial government, to discuss the details of this inquiry. We certainly don't want to drag our feet as far as the commencement of the inquiry is concerned; on the other hand, we want to be assured that the inquiry is structured properly and has the appropriate terms of reference.

Mr. T. P. Reid: Supplementary, Mr. Speaker: Has the Attorney General or any of his officials had discussions with Canadian Pacific, and have they at any point indicated acceptance of any liability for the accident, one way or the other?

Hon. Mr. McMurtry: No, they have not. The furthest they have gone at the present time is to express a willingness to make some gratuitous, voluntary payments to assist citizens who can establish losses. Obviously, I hesitate to offer legal advice beyond my mandate as Attorney General, but it seems to me that CP will have some difficulty in convincing me and anyone else it doesn't have to share a major portion of the liability.

Mr. Warner: Supplementary, Mr. Speaker: We should conclude from the answer given by the Attorney General that he is advising people not to sign any waiver form when they are reimbursed for "reasonable expenses." Is that correct?

Hon. Mr. McMurtry: Again, my mandate does not go so far as to advise the individual citizen, but I think I can say on this occasion for any citizen to execute or sign a total release of all his or her claims before becoming aware of what the claims are and what his or her rights are obviously would be very unwise.

I am trying to get hold of a copy of the form CP apparently is using, to determine whether or not it represents simply an acknowledgement of payment for some out-of-pocket expenses or whether it purports to be a general and total release of all claims. Obviously citizens would be unwise to execute any such total release until they are absolutely confident as to the extent of their loss and the extent of their individual legal rights.

Mr. Peterson: I want to compliment the member for Scarborough-Ellesmere. It was an excellent supplementary and very much what I wanted to ask the Attorney General.

It seems to me the question is quite a serious one of people signing waivers under misconceptions about their legal rights. I am wondering whether the Attorney General would enter into discussions immediately with CP and any other possibly culpable parties to make sure they do not present those types of waiver forms for release. Failing that, if they do continue to use that, would he bring his good offices to bear to

do something about that so that people are fully apprised of all their legal rights before they sign any kind of waiver?

Hon. Mr. McMurtry: I have made my views known already to CP but I will again make them known, that they should not invite anybody to sign a final release until they are totally satisfied the individual is aware of the nature of his loss and his rights.

I cannot prevent individual citizens who are satisfied they know exactly what their losses are and want to settle their claims. It would obviously be an improper interference with their rights for me to say: "'Look, you know what your losses are and you want to get paid immediately. Far be it from me to say that in those circumstances you shouldn't sign a release." But certainly, to CP and any others who may be involved, I will not hesitate to suggest to them their responsibilities as outlined by the member opposite.

GAS AND OIL PRICES

Mr. T. P. Reid: I have a question for the Premier in relation to his upcoming dinner on Thursday night. The Premier is scheduled to introduce Mr. Clark at the Conservative Party fund-raising dinner in Toronto this week.

An hon. member: Wednesday.

Mr. T. P. Reid: Wednesday, is it? Perhaps Joe will show up on Thursday.

Can the Premier tell us whether he intends to heap the same type of praise on Mr. Clark now, or on Wednesday night, as he did during the election campaign, in spite of the recent discussions on the oil prices?

Hon. Mr. Davis: It is Wednesday night, and all members opposite are welcome if they're willing to pay the modest honorarium that is requested, for which I assume there is some reasonable tax deduction. Thursday night I think I'm working for the University of Ottawa—I'm not sure what I'm up to—but Wednesday night is the fund-raising dinner for the Prime Minister.

Mr. Martel: You're going to try to kick a football.

Hon. Mr. Davis: I can only answer the member by saying I intend to be there. I'm never sure what my introductory remarks may be, but I can assure the honourable member, if he wants to check on them, the best way is to be there to hear whatever it is I may decide to say.

I know the member opposite might feel I shouldn't attend that dinner, as he and his leader avoided the Liberal Party of Canada's Ontario branch annual meeting over the weekend. I assume if the Liberal leader was there —his absence was noted certainly in the press.

Interjections.

Hon. Mr. Davis: No, no, I know he was there. I guess the former Prime Minister of Canada said, "Member for Hamilton West where were you when I needed you in May?"

Mr. T. P. Reid: Supplementary: Since the Premier was there when Joe Clark needed him in May and look what he's done to him in Ontario, doesn't the Premier consider—since he won't come out publicly and say it —that if he boycotted that dinner Wednesday night he might tell them the Premier, the Conservative Party and the people of Ontario are just a little upset with the way he's been handling the negotiations on the oil costs and what it's going to do to this province?

Hon. Mr. Davis: I think we made our position very clear on oil pricing, distribution of money, et cetera, a week ago today. The present government is faced with many difficult problems—this being one of them—which are the direct legacy of an incompetent government that preceded it.

Mr. Cassidy: Mr. Speaker, since I have none of these problems and intend to open the New Democratic Party's federal convention in this city on Thursday morning with no hesitation at all in endorsing the federal leadership of Ed Broadbent, I would like to ask the Premier what the voters of Ontario are to read into his presence at this dinner on Wednesday evening, given all the indications that the Premier intends to spend the next provincial election campaign fighting against Joe Clark just as cheerfully as he used to fight federal and provincial elections campaigning against Pierre Trudeau?

Hon. Mr. Davis: Mr. Speaker, I'm not sure what the leader of the New Democratic Party may read into my attendance there Wednesday evening other than to have what probably will be a very good meal. He's never been reluctant to accept a good meal, I've noticed.

Interjections.

Hon. Mr. Davis: I didn't say anything about it being free.

Mr. Makarchuk: For 150 bucks it ought to be good.

Hon. Mr. Davis: I can't comment on the price structure. It's modest by some standards. It's certainly high for those of us who come from Brampton; we're not used to those higher figures.

The leader of the New Democratic Party is free to read into my attendance there

anything beyond what would be normal. But in response to the general question, I am attending. Unlike the Liberal Party of Ontario, which is directly associated with the Liberal Party of Canada, I've never sensed that one should boycott a particular meeting where one might still have some message to take to the Prime Minister of Canada, or that one should neglect that opportunity. That's one reason we intend to be there.

Mr. Conway: Mr. Speaker, recognizing that the Premier has rejected the proposition put by my colleague from Rainy River, and recognizing that the weekend seemed to indicate the Prime Minister's position on the oil pricing agreement is increasingly fluid, what supplementary action does this government intend to take with respect to driving home once again its message to the Prime Minister of Canada in this intervening period until such time as an agreement is struck? What specific supplementary initiative does this government intend to take in these intervening days?

[2:30]

Hon. Mr. Davis: The views of the government of Ontario are still there before the government of Canada and the other Premiers of this country. We don't propose any new suggestions. I think they are there in essence and are very clearly understood. The process now is very simply for the government of Canada to make a decision, either unilaterally or in conjunction with the producing provinces.

I understand the member for Renfrew North was at the meetings over the weekend. I am sure he shares the point of view expressed by his national leader and former Prime Minister of Canada about the position taken by the Prime Minister or the Premier of this province, and he would totally agree with what he said.

MISSISSAUGA TRAIN FIRE

Mr. Cassidy: I have a question for the Attorney General arising out of the Canadian Pacific Limited waiver forms now being requested in Mississauga.

Is the Attorney General aware CP has chosen a very restrictive form of waiver, which asks people receiving funds for out-of-pocket expenses to say explicitly, "I release all claims against Canadian Pacific Limited in any way connected with the derailment of CP train 54 in Mississauga at approximately midnight between November 10 and November 11, 1979"?

Since the minister's statements just now indicated he doesn't believe anybody should sign that kind of release form, and since, therefore, thousands of people should not be collecting out-of-pocket expenses because of what they give away in legal rights, will the Attorney General negotiate with CP so people can receive those out-of-pocket expenses without limiting the liability of CP to pay any other losses those people may have incurred?

Hon. Mr. McMurtry: Yes, I certainly will do that. The member for Scarborough-Ellesmere just moments ago sent me over a copy of the release form. I will immediately communicate with CP and suggest it does not use such a total and absolute release form. I will do that.

Mr. Cassidy: Supplementary: Since the Attorney General has taken that step, in light of the fact CP is refusing to compensate the residents of Mississauga and workers in Mississauga who lost a week's wages last week because of the evacuation, and because of the very large numbers involved and the very costly and lengthy legal processes that will ensue if those claims for lost income have to go through the courts, will the Attorney General also undertake to negotiate a mechanism with CP whereby residents or workers can be reimbursed for the lost income during the period of the evacuation?

Hon. Mr. McMurtry: Yes, I certainly will do what I can in that respect. As the member knows, my authority is obviously somewhat restricted when it comes to civil claims between individual citizens and individual companies, but in this particular case, I will not hesitate to pursue that path.

I was led to believe by CP they were going to attempt to expedite the settlement of claims for out-of-pocket expenses. From what I am hearing now this may not be the case; if so, I will express my personal concern to CP.

Mr. Peterson: Supplementary, Mr. Speaker: We have here the potential for a great deal of litigation involving claims against various bodies, which could tie up our entire system, the minister's staff and all the lawyers in town for years. Has the minister investigated the possibility of people subrogating their rights to the province so the province can establish liability so the minister could work with the various individuals in order to avoid legal bills and all the other complications that might ensue? By subrogating such rights, his department could expedite the payment of such claims.

Hon. Mr. McMurtry: We are exploring and will continue to explore all reasonable

avenues to avoid the problem referred to by the member for London Centre. I appreciate his concerns and I share his concerns. We will explore all possible avenues to prevent that situation developing.

Mr. Cassidy: Supplementary: Since Canadian Pacific had profits of $368 million in the first nine months of this year and since its resources, obviously, far exceed the resources of any of the individuals who were affected by the evacuation, will the Attorney General undertake to negotiate, on behalf of the thousands of people affected, to have CP compensate people and workers in Mississauga not just for their out-of-pocket expenses but also for the very substantial sums that were involved in lost wages and income over the period of the evacuation?

Hon. Mr. McMurtry: I think I have said everything I can usefully say on this subject at this time.

Mr. Sargent: Supplementary: Surely there must be a firm position the government can take, in view of the fact that these giant corporations have multi-billion-dollar liability policies. I have no sympathy whatsoever for the insurance companies and I don't think the Attorney General should have on the part of the province of Ontario, because we must teach these giant corporations a lesson that this can't happen again. The way to hit them is in their pocketbooks.

For the Attorney General not to take a strong position and say he's going to look into it, I think he must have a policy that everybody will be compensated.

Mr. Speaker: A new question. The member for Ottawa Centre.

Mr. Sargent: I would like to ask him what he is going to do about this.

Mr. Speaker: You didn't ask a question.

Mr. Sargent: I'll ask the question now then.

Mr. Speaker: The member for Ottawa Centre.

Mr. Sargent: Just a minute, Mr. Speaker. This is more important than you think. It is important to the people.

Mr. Speaker: Order. You were given ample opportunity to put a question. You got up and made a statement.

Mr. Sargent: I'll ask the question again.

ENERGY POLICY

Mr. Cassidy: Mr. Speaker, I have a question for the Premier, on the basis of his speech to the Niagara Institute in Chicago last week.

Can the Premier say why he was so anxious to support the campaigns of such American spokesmen as Senators Byrd and Kennedy, Governor Brown and former Governors Reagan and Connally in their efforts to get the development of a North American common market in energy? Specifically, could the Premier say what are the common opportunities in energy he would like to see developed with the United States and Mexico? What would be the advantages for Canada and for Ontario and what studies has Ontario done on these common opportunities?

Hon. Mr. Davis: I'm delighted both the Leader of the Opposition and the leader of the New Democratic Party have read my prepared text for delivery in Chicago. Just to give a little bit of background, this was one of three or four seminars the Niagara Institute is conducting in the United States—one in Los Angeles, one in Chicago and I believe there is to be one in Atlanta. I'm not invited to the one in Atlanta; Jim Gillies got to go to Los Angeles; I was stuck with the midwest.

Mr. Peterson: You usually pick the warm one.

Hon. Mr. Davis: I wasn't asked.

Mr. T. P. Reid: After this speech, I know why.

Hon. Mr. Davis: I have to tell the member it was very well received in Chicago.

Mr. Speaker: That wasn't the question that was asked either.

Hon. Mr. Davis: The audience there was representative of some union leaders from this country, some business leaders and people from the business and investment community in the midwestern United States, primarily Chicago, but also from the surrounding communities in Illinois and farther west.

The topic of my participation was Canada: The Perspective from a Provincial Premier. Besides that, what I was attempting to create at that meeting was an indication that in economic terms and in many respects Canada had much to offer. But I went one step further, which was contained in the speech, but which I really amplified at some greater length, when I pointed out that the traditional relationship between our two countries had been one primarily of a business communication, whether in terms of specific industries, such as the automotive industry, or in terms of state-provincial relationships. Take the area, for instance, of environmental concerns —water quality control agreements between

the states and the provinces—or such things as the government of Canada through its participation in the International Joint Commission.

What I was endeavouring to create with our American neighbours was some consideration from them and ourselves that we have many things in common in terms of economic growth and development. We have many things in common with respect to the potential in the field of energy conservation, in terms of substitution of certain traditional energy sources, where a great deal of experimentation and development of technology is going on in both countries.

Quite frankly, I feel it's not the major issue in front of us, but when you have two nations such as the United States and Canada dealing basically in a common economic climate, there would be great merit in that instead of individual companies, or perhaps governments, dealing with problems, there should be some form of mechanism whereby we can explore certain economic policies that would be of mutual advantage to both nations. It is something that is happening in other parts of the world and we should not isolate ourselves from this possibility. I tried to convey that impression to our American neighbours in a very positive sense.

On Friday, the Leader of the Opposition (Mr. S. Smith) was trying to suggest we were discussing the possible joint development of certain energy sources in this province. We don't have any. I am in no position to entertain that sort of concept. But surely we're in a position in this country to say that if certain things are happening in the conservation field, in the solar energy field, or certain things in this area are happening in the United States we should be in a position to explore them along with our neighbours. It was an attempt on my part to say something that I think is very fundamental.

The European community has found certain common objectives. I don't believe in a common market—I don't think that is politically or economically in the cards—but I believe in some approach in terms of common economic problems or opportunities with the nation to the south of us. I think we'd be very foolish not to explore these. That was really what the intent was in those two paragraphs.

Mr. Cassidy: Supplementary: Is the Premier not aware that his statements are very likely to be interpreted, and have been interpreted as meaning something approaching a common market in energy? Also, will the Premier explain how we get away from that impression when the Ontario government has already supported new export commitments for natural gas, which would have the effect of sending cheap natural gas into the United States, while we have to use expensive frontier gas some time in the future? Is the Premier saying we should be sending cheap energy to the United States now, in return for American investment that would increase still further their control of our petroleum industry here in Canada?

Hon. Mr. Davis: Mr. Speaker, I don't know who is interpreting what I said in what way. I can tell the member the people who listened to it did not interpret it that way. I don't interpret it that way. I don't think any reasonable person who knows what the history of this is would interpret it in that fashion.

Of course, I'm not in favour of the export of a cheap commodity that has to be replaced by an expensive commodity within a short time frame.

Mr. Cassidy: What is the Premier's position?

Hon. Mr. Davis: I would make it abundantly clear that we were talking to a group of people who have an interest in Canada, some of whom have companies doing business here now, who are considering potential future investment. While the member may not want to see the economy of this province continue to grow, I do.

I must tell the member, there was somebody on the panel from the great province of Quebec. He was offering people in the state of Illinois cheap power from Baie James. I took it upon myself to say that Ontario Hydro could compete with any export in the short term. Not only could we compete, but also we could do it more effectively, because we happen to be several hundred miles closer to the state of Illinois than the power is at Baie James.

In any event, the reality is the state of Illinois won't import power from either Ontario or Quebec, with the present transmission situation the way it is. I must confess to the member I said to the people there that if they were going to buy power, to buy it from Ontario and not from Baie James, which would cost more.

Mr. J. Reed: Supplementary: Are we free to assume from the Premier's remarks that one of the areas of concern that he addressed in that speech would be the potential export of firm power from Ontario, especially with regard to remarks made earlier this month by Joseph M. Hendrie, chairman of the Nuclear Regulatory Commission in the United States, when he suggested it is possible some nuclear

plants near large cities in the United States may have to be shut down because they haven't found a satisfactory way to evacuate people in case of some emergency? Is the Premier looking forward to the export of firm power?

[2:45]

Hon. Mr. Davis: The export of firm power was not mentioned either in the course of my visit with the people who were attending the seminar hosted by the Niagara Institute. That was not the purpose, as I said to the leader of the New Democratic Party. The only reason I—as sort of an added comment—just observed about our own surplus situation was because there was a gentleman there from Montreal who was talking about the potential of Baie James power. There was no discussion of firm export whatsoever, as I said.

Actually I think our markets are in Michigan, Ohio, New York and Pennsylvania. I would doubt, at this precise moment, as to the potential in crossing Michigan to get into the state of Illinois, going through the state of Indiana en route. So, to make a very short answer, it was not discussed.

I just point out to the honourable member, though, he will be interested to know that the state of Illinois now depends for its electrical supply about 38 per cent on nuclear energy.

Mr. Cassidy: Is it fair to infer from what the Premier has said about the common energy opportunities in areas such as conservation and solar energy that it is the desire of the Premier and of his government that these new areas of energy development in Ontario should be no more Canadian-owned than the petroleum industry is in Canada today?

Hon. Mr. Davis: I must confess I spoke for about 30 minutes and there were a lot of other issues I covered. I went back in history to sort out for them just who won the war of 1812. I mean, I took a lot of time leading up to this speech and I didn't get into all of these details. What did you say?

Mr. Nixon: That's a change.

Hon. Mr. Davis: What I really was trying to do was create the feeling that the United States and our nation, Canada, had a lot of things in common; that in the energy field, in economic developments we have more common areas we should be exploring than perhaps any other two nations of the world.

The honourable member may not like our American neighbours in a corporate sense, nor have the same feeling about the need for Canada to sit down with others to explore certain economic opportunities or objectives. I just have to say it very simply—and I know the Leader of the Opposition mightn't agree with me if he were here—I just happen to think they are very good neighbours; they are important to us economically as we are to them. We can do some things together to our mutual advantage, and to isolate ourselves from the rest of the world, as the member would like us to do, would be very foolish indeed.

Mr. T. P. Reid: Mr. Speaker, I am somewhat concerned about the Premier's slide into continentalism here, because his speech on page 11 says, to quote the Premier, "In my opinion it would be valuable for us to structure a Canada-US commission of inquiry to pursue common energy and development opportunities." Further down on the page, to quote him again, he refers to "a common effort to develop common energy and developmental opportunity."

That is fairly radical, but my supplementary, Mr. Speaker is simply this: How can the Premier even consider sharing our depleting energy resources or opportunities to exploit them with the Americans when we can't even get an agreement on price and supply within Canada?

Hon. Mr. Davis: I think the answer to that is very simple and I am sure the member opposite knew the answer before he asked the question. I do not contemplate sharing depleting resources from this province with the United States. We don't have any depleting resources we can share with the United States in terms of oil or natural gas. I cannot speak for anyone other than the—

Mr. T. P. Reid: What about the economic opportunities you are talking about?

Hon. Mr. Davis: No, no; I know the concept upsets the honourable members because they didn't think of it first. I understand that, but I would say to the honourable member, who, more than some over there, should have some understanding of what is happening in the United States—he doesn't want to isolate us from the tourist industry a bit; of course he doesn't—that I think we should be making a greater effort to involve ourselves with our neighbours in terms of common economic, energy conservation and energy technology matters.

Mr. T. P. Reid: It is not what this speech said.

Hon. Mr. Davis: Of course it is. I delivered the speech, I know what it said and I know what I said, and I just want to say to the honourable member that what I said

makes a lot of sense. He can disagree with it; if they want to isolate themselves, the isolationist party of Canada, be my guest, but that is not where the long term future lies.

WCB MEDICAL SERVICES

Mr. B. Newman: Mr. Speaker, I have a question of the Minister of Labour. The Minister of Health also may have to reply to some part of it.

Has the minister or the Workmen's Compensation Board received many requests from doctors throughout the province who are considering opting out of Workmen's Compensation Board cases only? Is the minister aware that among the reasons for contemplating this action the doctors cite a great increase in the number of letters, phone calls and so forth from board personnel? These include requests for back-dated reports of several years ago with multiple questions for details concerning medical attention and procedures done for the board without a fee.

Hon. Mr. Elgie: Mr. Speaker, I asked the director of medical services this very question about a month and a half ago and he advised me there was no increase in the number of physicians who were indicating they would prefer not to deal with workmen's compensation problems.

As a physician I am well aware of the fact many doctors do find extra work involved in looking after compensation problems. The extra amount of work is troublesome and the board has recognized this in the past by paying a premium for those services. I may tell the member now, if it is of any reassurance, that the present fee-schedule negotiations going on between the Ontario Medical Association and the Ministry of Health will be followed by negotiations between the OMA and the WCB to work out a schedule of fees which will again recognize there is a certain amount of extra work involved in looking after patients with compensation problems.

Mr. B. Newman: The minister is aware there will always be some doctors who will still wish to opt out. Is he making any type of arrangements for the transferral of records to the board from those doctors who wish to opt out or to some other doctor if another individual wishes to take over that case?

Hon. Mr. Elgie: The patient-physician relationship usually is such that a physician would endeavour to help a patient find a new doctor. Should the physician not be willing to do that—and I frankly find that unusual; I have never known anyone who wouldn't take part in that process—if the person would contact the board, the board would certainly endeavour to help him find another physician in the area.

Mr. Breaugh: A supplementary: I would like to ask the minister if in his negotiations, or by whatever technique he would like to do it, he would find some mechanism whereby those doctors who now wish to charge additional amounts for reports used by the WCB in processing compensation claims would be dealt with in such a manner that the board receives full value for its dollars; or at the very least, would he find some mechanism so that those individuals who are already under duress would not have further financial duress added to them in the form of a $50 charge? I have at least one case of a doctor wanting about $150 to provide medical information for the processing of a claim.

Hon. Mr. Elgie: The negotiations which should be forthcoming in the very near future will certainly take into account that matter of the extra fees payable to physicians for the extra duties involved. They always have. That difference and that extra work have always been recognized in a different fee schedule and that will continue to be so.

Under the WCB Act, of course, the WCB account rendered for services given to the patient is the full amount that can be paid.

Mr. Cunningham: Supplementary: I would like to ask the minister if he is aware of a situation where it requires longer than 50 days in some situations for the practitioner to receive payments from the compensation board. Would he take it upon himself to see that the age of accounts payable from the compensation board is reduced so people would get their money a little faster?

Hon. Mr. Elgie: It has been my experience that accounts have usually been paid promptly, but I will certainly be glad to remind the board of some inconveniences some doctors are reporting.

TRANSPORTATION OF DANGEROUS GOODS

Mr. Renwick: Mr. Speaker, I have a question of the Premier. My concern is about the interim period between now and the report that will ultimately be made by the Canadian Transport Commission about the Mississauga spill and the implementation of the recommendations that will undoubtedly be contained in it.

Will the Premier assure the assembly that a single ministry of the government during this interim period will have available to it full information about the points of origin, routes and destinations of all movements of chlorine by any means within Ontario? Will he ensure it will have responsibility for monitoring those movements and for contingency plans en route and at destinations to minimize to the extent possible any likelihood of a second mishap?

Hon. Mr. Davis: Mr. Speaker, I will go far in terms of answering that question: The government will make every effort it can, within the limits of our area of responsibility, to see that this sort of thing does not happen again. Whether what the member for Riverdale is suggesting would in itself and by itself be sufficient I honestly don't know. I think it is a reasonable question. Whether that would provide us with the mechanism to see that it could not happen again, that kind of technical opinion I quite frankly can't venture. I can assure the honourable member we have steps in motion to see what we can do provincially to see that this sort of occurrence cannot happen again in any of our communities.

Mr. Renwick: By way of supplementary, since both CN and CP spokesmen indicated in the press that they do not intend to make any changes with respect to their transportation systems pending the result of the inquiry, and recognizing that chlorine is not the only hazardous substance which is being transported, is it possible for this government, given the divided jurisdiction, to ensure that any necessary changes are made in the method of transportation during the interim period so we do not persist in the same kind of transportation system that resulted in this particular accident?

Hon. Mr. Davis: I expressed the point of view last week that I don't think we need to wait for the results of any formal inquiry, whatever form it might take, to explore as a provincial government if there are any short-term alternatives that would assist the situation. I made that quite clear and we intend to continue with that sort of approach.

As the honourable member has pointed out, we are not talking about chlorine only; there are other substances, and I don't think any person is disputing the fact that these chemicals must of necessity be transported. There is no question that in some way they have to move from point A to point B. Our responsibility is to see in what ways we can be helpful in finding a better way of doing it. What that is I quite frankly don't know, but the ministries of this government will be looking at it in advance of any federal inquiry or in advance of any federal legislation.

NIAGARA RIVER POLLUTION

Mr. Kerrio: I have a question of the Minister of the Environment. Is the minister aware of the fact that Olin Chemical Corporation, which is adjacent to the Hooker Chemical Corporation in Niagara Falls, New York, may be spilling as much as 1.4 million gallons of untreated leachate into the Niagara River? Is his ministry aware of this condition? I wonder if it brings to mind the urgency I have about the dumping of effluents into the river that's adding to the pollution there?

Hon. Mr. Parrott: Mr. Speaker, I am not personally aware of this report. I'll check with my officials and advise tomorrow.

Mr. Kerrio: While the minister is doing that, would he consider some kind of involvement with his counterpart in the state of New York so he might be more aware and in a better time frame to address himself to these kinds of problems? They seem to be developing and we are the last people to know on this side.

Hon. Mr. Parrott: I said I would check on this report. I don't know whether it is well founded or unfounded. I am not able to report more than that today. I have talked and answered questions in the House on the other aspect many times, we have had debates in the estimates and I really have nothing more to add to those comments.

WORK INCENTIVES FOR FBA RECIPIENTS

Mr. R. F. Johnston: I have a question for the Minister of Community and Social Services. When the minister meets with the family benefit work group tomorrow about his work incentives program, will he continue to commit himself to beginning the program in January 1980, even though no regulations have yet been developed or staff hired? Will he inform that group what he is doing to assist those individuals who took jobs after September 19 because of his commitment, and I quote, "that any recipient will be eligible, effective immediately"?

[3:00]

Hon. Mr. Norton: Mr. Speaker, I fully intend to maintain all of the commitments I have made. The honourable member may not be aware but the field staff in my ministry has now been in receipt, for a matter of a couple of weeks at least, of detailed guide-

lines for the administration of the program. It is our intention to continue to proceed, effective January 1, with the retroactive provisions I outlined earlier.

Mr. R. F. Johnston: Supplementary: The information I have been getting from people who have been applying for help is they are getting no assistance at all and nobody knows when it is going to start or what are the regulations.

I would like to ask what kind of additional support the ministry will be providing to people like Helen Dee of Scarborough, who on September 26 took a minimum-wage job with the expectation assistance would be forthcoming to support her and her three children. She did not receive her phase-out moneys, which are under present legislation, until a month and a half afterwards, not until the middle of November. She is now considering quitting her job because her extra costs of baby-sitting, transportation and lunches are keeping her poorer than she was under full FBA recipient payments. What incentive will the minister give this woman to believe in the promises he has been talking about?

Hon. Mr. Norton: Obviously, to answer a question about specific applicants I would have to know more details of their levels of earnings and the numbers of dependants and so on.

Mr. Cassidy: If you are not set up, you are not set up.

Hon. Mr. Norton: If the honourable member wishes to refer that matter to me I would be quite happy to have that particular case reviewed and to report back to him. In response to the honourable leader of the third party, we are set up and we are ready to go.

Mr. Martel: When?

Mr. Cassidy: When?

ENVIRONMENTAL EMERGENCIES

Mr. Watson: Mr. Speaker, I have a question for the Solicitor General, but in view of his absence, I would like to direct it to the Premier. In view of the recent events in Mississauga; in view of the fact that most other communities realize a similar situation could happen to them; and in view of the fact that many of these communities have air-raid warning systems but, as I understand it, do not have the ability to turn them on because they are entirely with the armed forces, would the Premier look into the possibility of having these systems made available for the purpose of warning the general public of local situations? They may not all go off with a big bang as they did in Mississauga.

Hon. Mr. Davis: Mr. Speaker, I think that's something that could be explored as part of this general inquiry. I must confess I haven't given it a great deal of thought up until this moment, but it's something that could be discussed before whatever inquiry is established.

Mr. Martel: Supplementary: In respect to these areas, could I ask the Premier is the government aware if other municipalities do have contingency plans where chlorine and any other chemicals which would have the same results are being delivered in the event of such an occurrence in outlying communities and, if not, would the government move to ensure that is looked into?

Hon. Mr. Davis: We would be quite prepared to sit down with the municipal people to have them share the experience in terms of the organization of what went on in Mississauga. I think what we really have learned from the Mississauga experience is that the people working together in a co-operative sense—the heads of the various forces, the firefighters, the police and municipal officials—can deal with a situation, given some common direction.

I could be corrected, but I don't think the city of Mississauga had a contingency plan to deal with an evacuation of this size because of this particular situation. I think it's something that evolved in a very short period of time and for which the people of Mississauga deserve tremendous credit. It wasn't as though they had gone through this exercise. It wasn't as though they had it all laid down.

Certainly, anything we have learned there should be shared with other municipalities. There is no question about that.

AMBULANCE SERVICES

Mr. Sweeney: I have a question for the Minister of Health. Is it true if a community ambulance service is run either by the Ministry of Health or by a local hospital it is deemed to be an essential service and therefore it cannot be settled with a strike situation? On the other hand, if it is run by a private firm, it is not an essential service and can be settled by strike. Given that the service is the same, how is this so?

Hon. Mr. Timbrell: Depending upon who is the employer, it is quite true the employees and the operation, for that matter, are under different pieces of legislation and therefore different rules do apply. It is not a question of definition of essential service. That is a

matter which has vexed governments for years in trying to come up with a definition.

In the case of the honourable member's particular community, when the service was operated by the Kitchener-Waterloo Hospital it operated under the terms of the Public Hospitals Act and under the Hospital Labour Disputes Arbitration Act and therefore the employees were not legally in a position to strike.

When the K-W hospital, a year or two ago —I forget now how long ago it was—gave up the service, or said they no longer wanted to run the service and it went to a private operator under the terms of a proposal call, that then put them into the private sector and in the position under the Labour Relations Act potentially to strike.

Mr. Sweeney: Given that the present stalemate in my community is based upon the inability of the employer to guarantee the settlement he is offering because he doesn't know the money that is going to come from the ministry, can the minister suggest how this stalemate can be broken, because understandably the employees can't accept his offer when he can't guarantee he is going to be able to pay it?

Hon. Mr. Timbrell: With respect, that has not been a deterrent in other communities. In Mississauga, when the Halton-Mississauga service was on strike a number of months ago, in Thunder Bay, where they were facing the possibility of a cessation of work, that was not a deterrent.

The honourable member wouldn't want me to in effect say to the operator, "Here is a blank cheque; whatever is the settlement we will pay to the last penny," but of course in any situation we would review it in terms of what is needed to maintain an acceptable level of ambulance service.

Mr. Breithaupt: Supplementary: Will the minister advise the House how many other communities are in this circumstance where contracted ambulance services do allow at least the opportunity for strike, if that should occur? And is the ministry giving any consideration as to changing the present circumstances so that even under a contracting circumstance it may be that the requirement for necessity as it existed in the earlier situation in Kitchener would be carried on, so the strike concerns would not arise in a community such as ours where this matter has now gone on for some 10 weeks?

Hon. Mr. Timbrell: As the honourable member will know, there are a variety of circumstances under which an ambulance service will be operated. The member's colleague has enumerated several of them. There are also volunteer services. There are also municipal services. For instance, in Metropolitan Toronto the Department of Ambulance Services comes under the Metropolitan government, and as municipal employees—I guess they would be members of the Canadian Union of Public Employees—they would potentially have that right.

I want to be very careful that in the present context of the labour dispute in Waterloo I don't say anything here that would be inflammatory and potentially destroy the possibility of a settlement—

Mr. Breithaupt: As do we.

Hon. Mr. Timbrell: —but certainly this is a matter which is of concern to me, and when matters have returned to normal I think it is something which bears some examination.

Mr. Breaugh: I have a question for the Minister of Health. I would like to ask the minister if he has now prepared a more reasoned response to the allegations of Mr. Jerome Alexander, who is the past president of the Ontario Ambulance Operators Association, and his remarks at their convention that we are facing a disaster?

If I can quote him: "The funding formula for private operators is pitiful, unrealistic and ill-conceived and it is past time for a major investigation of all branch activities to begin. Certainly the Ministry of Health must look at its organization and until this is accomplished we will flounder in the mud of bureaucracy forever."

Hon. Mr. Timbrell: I am extremely pleased to deal with that, inasmuch as that particular ambulance service is one that has been of concern to us and has been under some investigation for a while. I mention that so as to put those remarks in some context.

Mr. Martel: Just to put it in proper perspective.

Hon. Mr. Timbrell: At the same time that gentleman made some remarks about the ambulance vehicles. I am told by staff that by the end of this current fiscal year we will have put on the road about—I don't have the figures in front of me—205 new ambulances in the province. This is close to half of the provincial fleet.

Mr. Breaugh: On the matter of an investigation, the minister has a fraud squad investigation here in Metro, he has continuing allegations of unsafe ambulances on the road, he has a dispute in Kitchener, he has a dispatching argument in Welland and again in the Windsor area, he has police

officers who are unsure of the rules and fill up the ambulances with three or four people, even at minor accidents, at $40 a crack. Surely all of this is grounds upon which the minister will continue to have an internal investigation, as he supposedly has, under way. But he also ought to have a more public type of investigation.

Hon. Mr. Timbrell: I'm always pleased to deal with specific allegations. The ones the member brought up today have no substance whatsoever; in fact, they're questionable in their origin and motivation.

Mr. Breaugh: The rest of the world is wrong and the minister is right? Why are you buying 200 new ambulances if there is nothing wrong with them?

Hon. Mr. Timbrell: Every year we do put a lot of ambulances on the road.

Interjections.

Hon. Mr. Timbrell: The honourable member really doesn't want an answer, he wants a soap box. There are lots of them available outside of the House.

Mr. Speaker: The time for oral question period has expired.

MOTIONS

COMMITTEE MEETINGS

Hon. Mr. Wells moved that the standing administration of justice committee be authorized to meet on the afternoon of Wednesday, November 21, 1979.

Motion agreed to.

Hon. Mr. Wells moved that the select committee on Ontario Hydro affairs be authorized to meet on Tuesday, November 20, 1979, following routine proceedings and in the evening if required.

Motion agreed to.

ANSWER TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 328, 346, and 348 standing on the Notice Paper. (See appendix, page 4623)

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF REVENUE (continued)

On vote 801, ministry administration program; item 1, main office:

Mr. B. Newman: Mr. Chairman, when we adjourned the debate on Friday, I was the next speaker on the list, or I assume I was, and I appreciate being given the opportunity to start this afternoon.

In the discussions on Friday referring to assessment the minister mentioned that approximately $2,500 worth of construction, addition, modification and renovation would not be added to the assessment for that given year. The assumption was—

Mr. Deputy Chairman: I wonder if we might have a little more order in the chamber so we can hear the questions and statements being made by the honourable member?

[3:15]

Mr. B. Newman: The impression left by the minister was that any renovation of a particular structure would necessarily add to its value and would consequently increase the assessment. That isn't necessarily so. One could have changes in the structure of a house, especially if it was being modified for a handicapped individual, for the single purpose of accommodating that one person. Even though the structural changes to the house could cost in the many thousands of dollars, maybe $10,000 for widening doors, improving fixtures, lowering wash basins, adjusting telephones and so on, they wouldn't necessarily add to the value of the home.

For that reason, although $2,500 is allowed, I think there should be some leeway so that when the changes are made for a handicapped individual the sky should almost be the limit. That would simply allow a handicapped person to live almost as well as an individual who is not handicapped. I know we can't say the sky is the limit, but we should have some figure that is substantially higher, if need be, so the handicapped individual, having such changes put into his or her home, does not have an increased assessment.

I hope that will be taken into consideration by the assessors when it comes to the particular problem I have mentioned. I have other questions, but I would like this one answered.

Hon. Mr. Maeck: Perhaps my statements of last Friday were a little far-reaching. I mentioned $2,500 could be spent on a house without its being picked up by the assessors. When a building permit for alterations to the value of $2,500 or over is applied for and received, the assessor knows a certain amount of money has been spent on the building but he doesn't take the amount of the building permit as an assessment value; he visits the property.

The member is quite right; there are many things that could be done to a property

which may require a building permit but which would not necessarily increase the value of the property. But I believe also that when the assessor does visit he would take into consideration the kinds of things of which the member is speaking. I don't think a different limit necessarily has to be put on.

What the assessor is really interested in is whether or not that building has actually increased in value—not necessarily how much money has been spent on it, but has it increased in value by more than $2,500. That is the way the assessor would assess, rather than just saying $2,500 has been spent, therefore the assessment goes up $2,500. That isn't the way it is done.

Does that answer the member's question?

Mr. B. Newman: Yes, that does clarify it a bit, Mr. Chairman.

I would assume the assessors in the various municipalities would be broad-minded enough to take something like this into consideration, even though it may increase the value of the house because certain structural changes have to be made that are of consequence to the home, regardless of whether a handicapped individual lives in that home or not.

The other question I was going to ask of the minister was the one he brought to our attention when he referred to me and to the city of Windsor. That is the grant structure that was given to the city.

The minister knows the history of it—that the city has been sort of short-changed by some $30 million over a number of years because of the resource equalization grant inequities. He made an adjustment just this past year and provided the community with some $3,097,600, if I am not mistaken.

The new equalization grants the ministry is going to put into effect this coming year are to be arrived at by simply adjusting the figure to a certain amount. He is not taking into consideration the additional grants he has given.

He really should have given approximately $10 million worth of grants each year over the number of years, had the resource equalization grant been fair. It was pointed out to his government by the then mayor of the city of Windsor back in 1973, 1974, or 1975 in the meeting in London, but our pleas from the city were falling on deaf ears. The ministry didn't believe the city was right when it presented its case.

After it got a series of other municipalities involved and after the honourable Treasurer of the day, Darcy McKeough, realized Windsor was right and that Mr. Agnew, from the city, did present a good case, the amount the ministry would have to give to them to correct the inequity would have been approximately $10 million. I am subject to correction on that exact figure, but I understood it was so.

I can recall, Mr. Minister, pleading in this House at various times with the provincial Treasurer, trying to point out to him we were adversely affected. Other municipalities picked up the cudgel and as a result there were 15 or 20 or possibly even more municipalities throughout Ontario which found they were adversely affected. The minister accommodated them with a minor adjustment. The minister accommodated Windsor with a minor adjustment which was nowhere near what they expected to get. They appreciated the $3 million, even though they would have preferred the larger figure. Now the minister is going to shortchange us again next year because he's not including the $3 million as the grant and adjusting it percentage wise, including the $3 million. He is excluding that $3 million. The minister is not being fair.

I hope he takes that into consideration or today advises me the equalization grant to the city will include that higher figure so Windsor once again won't be shortchanged.

(Partial failure of sound system)

Hon. Mr. Maeck: Could I have some power?

Mr. Deputy Chairman: I think you're about to get some power.

Hon. Mr. Maeck: These words of wisdom I want recorded forever in Hansard, so I have to wait for power.

Mr. Deputy Chairman: Either you or somebody is causing a short circuit, Mr. Minister.

Hon. Mr. Maeck: Pretend I'm the Treasurer (Mr. F. S. Miller) today, that's who I am.

Mr. B. Newman: Shift over one seat. Somebody blew a fuse.

Mr. Deputy Chairman: Speak out loudly if you will, I seem to have lots of power in this microphone.

Hon. Mr. Maeck: How are my words of wisdom going to be registered, forever and ever?

Actually, I've said this before, Mr. Chairman, so perhaps it's already been registered from time to time. The question the member for Windsor-Walkerville poses is a question that should be directed not to me but to the Minister of Intergovernmental Affairs (Mr. Wells). He is the one who decides the amounts of grants which go to municipalities.

It's under his jurisdiction and not the Minister of Revenue's.

The Ministry of Revenue's position in this whole matter is to bring forth proper equalization factors based on 1978 assessment, and so on. Those factors are used by the Ministry of Intergovernmental Affairs and the Ministry of Education to decide what apportionments there will be, what shift there will be and how many grants will go to the municipalities.

I recall in my statement, when I introduced the legislation which would take the freeze from the equalization factors, a guarantee written into that statement that no municipality would get less in 1980 than in 1979 because of the new factors. I am sure the Minister of Intergovernmental Affairs will take that into consideration when he is making a decision as to what the grants will be.

I know the policy announced by the Minister of Intergovernmental Affairs is that no municipality will receive more than 10 per cent in gains in 1980, if they happen to be one of those we might loosely call a winner in this equalization factor exercise. Of course, Windsor was not one of those. The question the member has asked of me should really be given to the Minister of Intergovernmental Affairs in whose jurisdiction it falls as to grants for municipalities.

Mr. B. Newman: I stand corrected. The only thing is unless I try to point it out to each of you people on that far side of the House we're going to continue to be taken advantage of in my community. It isn't fair to come along and deprive a community of a substantial amount of resource equalization grants and continue the short-shrifting of that community.

The minister is right. I possibly should not have asked that question of him. I do stand corrected. I hope I do have an opportunity at some time or other to go after whoever is really the culprit in the deal.

Hon. Mr. Maeck: There is one other item the member did mention that I thought I should also remark on. I think the $30-million figure may be slightly exaggerated.

Mr. B. Newman: It's the accumulated total.

Hon. Mr. Mack: Yes, I understand. I believe the $10 million might be a little exaggerated as well. Nevertheless, there is no question the city of Windsor was not receiving its fair share of grants over these past few years because of the freeze on equalization factors. It may take some time to make the proper adjustments because there is a bottom to the barrel as far as money is concerned.

Mr. B. Newman: But when there was a lot of money, it wasn't coming our way.

Hon. Mr. Maeck: That's true, but we did increase grants this year between education and the municipalities in the neighbourhood of $50 million. There is another $50 million going into the pot this year in round figures. It could be a little less or a little bit more, but it's in that general vicinity. I think the province has dipped in about as far as it can dip this year. That's the reason there was a limit of 10 per cent put on the municipalities.

Mr. B. Newman: You didn't answer the other question. Are you going to consider that $3 million or so we received this past year? Will the additional 10 per cent go on and include that $3 million?

Hon. Mr. Maeck: That is the part of the question I suggested should have been given to the Minister of Intergovernmental Affairs and not to my ministry. I did remind the member I made a statement in the House when I took off the freeze that no municipality would get less in 1980 because of the new equalization factors. I leave that with the member.

Mr. B. Newman: We will be getting less because we will not be getting the $3 million.

Hon. Mr. Maeck: I'm not sure how the Minister of Intergovernmental Affairs will interpret the statement I made, but I will discuss it with him.

Mr. Charlton: I wouldn't normally raise this under this vote, but since we've been discussing it I thought I would put a couple of comments on the record to try to clarify what the minister has said about additions to property of less than $2,500. I think the minister's statement is generally correct, but somewhat misleading in the way it's put out. What is happening in some assessment offices —and I can't swear this happens in every assessment office, but the policy is supposed to be uniform—is they keep track of items that are added that come to a value of less than $2,500.

If two are added, even if they happen to be three or four years apart, if the cumulative total is over $2,500 the assessor will add the additional value at that point. So people shouldn't have it in their mind they can add $2,500 here and $2,500 some time later and get away with it, because in most cases it won't happen.

[3:30]

The other thing is that in any area where section 86 is being put into effect for anybody who has added something in the past that was worth less than $2,500 in value,

although that assessment wasn't added at the time, it is being added under section 86 because the market value assessment on which the section 86 equalization is based includes the value of that item, the garage, swimming pool, or whatever it happened to be. There are some municipalities in this province where, in a one-shot deal, those items are being added, although it is my understanding that once the section 86 equalization is done that assessment office will again resume the practice of not adding the items under $2,500.

Mr. Deputy Chairman: Are there any other questions on vote 801, item 1? The member for Etobicoke.

Mr. Philip: Mr. Chairman, I hope it is appropriate to bring it up under this vote, but it is a matter of policy and I would like to see if there is any change of direction by the minister on this.

I am wondering if the minister has received complaints from some of the small bottling companies concerning what they consider to be discrimination against them in the 50 cent sales tax exemption for beverages and confectioneries. A number of them have expressed concern to me, particularly some of those serving the Italian community. They tend to deliver large crates of drinks and their competitors are the local grocery stores where people tend to purchase soft drinks by the bottle. Since their system is one of selling in bulk, they feel that under the new regulations perhaps not only they but also Pop Shoppes and some of the other companies which specialize in selling returnable containers by the dozen or so are discriminated against and this works as a disadvantage to them and an advantage to some of the bigger companies such as Coca-Cola and Pepsi-Cola that tend to have their outlets through Becker's and Dominion Stores and the bigger chains which these people cannot get into.

They would like to know whether there is any contemplation of a change of policy or some way in which they can be on an equal competitive basis with these companies.

Hon. Mr. Maeck: Mr. Chairman, I haven't had any letters from the small companies that came directly to my desk. I will check with my staff to see if any complaints have been coming into the retail sales tax branch. I will have some information on that in a moment.

I don't personally recall having received any letters from any small bottling companies with the complaint you have talked about. However, if it is acting as a sort of a penalty towards them, I would certainly be happy to look at it and see if there is a solution to it. Basically, all pop companies sell pop in bulk as well as in small quantities and the whole thrust behind this, as the member is well aware, was to accommodate not only pop but chocolate bars and small confectionery articles with a value up to 50 cents.

The member will probably recall that some time ago there was a concerted effort, not only by chocolate bar manufacturers but even by some consumers who were concerned about the fact that when chocolate bars went up to 25 cents the children had to pay sales tax on them. I suspect that is one of the reasons the Treasurer decided to go to the 50-cent limit instead of the 20. Basically, it is fair the way it is, except for those companies who may sell completely in bulk and only by the case.

Mr. Philip: Perhaps the minister or one of his senior people would be willing to meet with some of the companies concerned. I am sure I can arrange for that and they could discuss it with the minister or perhaps with one of his assistant deputies or somebody at that kind of level. I believe when it was first brought to my attention, which was several months ago, I did send that matter over to either the minister or one of his key executive people. I'm not sure who it was at that time —my assistant is presently pulling the file for me—but I think any meeting with them would be appreciated.

There is one company in the Weston area particularly concerned since 100 per cent of its sales are delivered by the case directly to homes.

Hon. Mr. Maeck: I would certainly be happy to arrange a meeting for any constituents or businesses having difficulty. I am prepared to listen to their submissions and see if there is something we can do to help them.

I have a note here now from the staff. They don't indicate to me whether there is a record of any letters from manufacturers such as you indicated, but they do give me this information.

The tax is based, of course, on a unit sale. The sales in bulk are usually at a lower price than the individual bottle price, so there is an evening-out effect to some extent. In other words, if you buy a small unit, you are going to pay more for it, not through tax, but through the cost of the product in bulk. So the ministry staff think there is a type of an evening-out effect because of that.

As an example, they say a 39-cent bottle is tax exempt; one case of 24 units includes tax but on the unit price it is approximately the

same as the single price. In other words, if you buy a case, when you divide it by 24 and get the unit price you will find they are usually the same price or maybe even sometimes lower than if you buy one bottle, even if it is tax free, so it sort of evens out.

Mr. Philip: Just one last point on that, Mr. Minister. The point they previously were making was they had some competitive advantage in competing with the multinationals and all of their advertising campaigns and all of the accessibility of the corner stores. This, in simply making them competitive or equal, takes away that one advantage as small companies, and as Canadian-based and as Ontario-owned companies. I assured them I thought the minister would be interested in keeping this competitive advantage to the small Ontario businessman.

I appreciate the minister's comments and I am sure perhaps we can get together and hopefully do something about it.

Item 1 agreed to.

On item 2, analysis and planning:

Mr. Haggerty: This relates to the minister's announcement on October 16 of the formation of a consolidated revenue tax appeal service, a major step by his ministry towards simplifying the tax appeal process.

Is the only tax appeal office you have in Ontario located here in Toronto? Or are there others throughout Ontario?

Hon. Mr. Maeck: Mr. Chairman, again this item doesn't come under this vote, but I am prepared to speak about it if there is no objection from the rest of the members of the committee.

This is the only office we have in the Ministry of Revenue. However, I did say in my statement that we would be prepared to send people around the province, if necessary, for instance to Thunder Bay or somewhere else. If it was necessary to have a tax appeal in an area, we can from time to time send staff from this office out to various places.

Mr. Haggerty: In other words, you are going to follow procedures established by the federal tax appeal system whereby they send out taxing officers or persons to hear appeals to different localities in Ontario, or throughout Canada in a sense. Instead of having one in Toronto, Hamilton, London, or St. Catharines, you will be doing this, will you? Everybody won't have to come to Toronto?

Hon. Mr. Maeck: That's right. We will be doing that. We have been doing it prior to this time. What we have done has really changed our assessment office.

It used to be if you had an appeal in the retail sales tax branch, as an example, the appeal would be heard by people within that branch. Now we have set up a separate appeals office so that regardless of where you are having your problems within the ministry, they would hear that appeal.

They are no longer connected to any specific branch in the ministry. They are not connected with sales tax or cork tax or tobacco tax. They have their own separate little branch and all they do is hear appeals from all the various branches within the ministry. We have always had an appeal system within the ministry but we have now located it in one unit and it is not in any way connected to any of the other branches.

Mr. Haggerty: Mr. Chairman I was trying to relate it to the additional costs of item 2. There is a substantial increase from $278,000 to $369,000—a $90,000 increase. Could the minister give me reasons why we have had a substantial increase in analysis and planning here? What are we contemplating in tax changes under this increase of about $90,000 in this vote?

Hon. Mr. Maeck: The largest increase in this vote is in services I believe. That is because of the computerized resource management and forecasting systems that we have implemented. That is where the largest amount is. Is there any specific item the member wants to know about?

Mr. Haggerty: I am making reference to item 2, analysis and planning. There is a substantial increase there. I was looking also at information services there. Item 2 seems to be rather costly; almost everyone has a direct phone to your facilities in Toronto to deal with tax matters, Gains and a few other items that relate to revenue and revenue-sharing, I guess it would be.

I would like to know why there is about a $90,000 increase on that second item, analysis and planning. It seems either you are bringing in some new type of planning for taxing purposes or you have some study that we on the opposition side are not aware of—perhaps a study involving some of your forecasting.

Hon. Mr. Maeck: The computerized system of cash management is one of the major items. If you go down the list you'll see there is an increase in salaries and wages. You are going to find this pretty well in every branch of every ministry in government because of the increase in salaries and benefits to all the civil service. Transportation and communications is up very little. As I said, services is the major single item.

Supplies and equipment are actually down as compared to the 1978-79 estimates.

I guess the biggest item is salaries and wages. They have increased that staff by one person. We had 10 civil servants in there in 1978-79 and for 1979-80 we will increase it to 11.

Mr. Haggerty: That is vote 801, item 5 you are talking about?

Hon. Mr. Maeck: No, I am talking about vote 801, item 2. There was an increase of one staff. There is the increase in salaries and wages which went right across the civil service. There is the computerized system I spoke about that has been brought into this branch. That accounts for most of the increase in that item.

Item 2 agreed to.

Items 3 and 4 agreed to.

On item 5, financial services:

Mr. Haggerty: There seems to be a substantial increase in financial services. That could indicate you have additional staff. What is actually done in this area of financial services?

[3:45]

Hon. Mr. Maeck: The explanation for what we do is listed on the page in the member's estimates. However, I will read it into the record. "This activity, performed by the administrative and financial services branch, delivers financial support services to program managers concerning payroll and expenditure accounting and reporting and financial control and review. Resources for the management of the branch and for the executive director of the support services division are also included in the activity."

The reason for the increase in this one is that all of the branches up until this point had paid their share towards the Workmen's Compensation Board payments out of this one branch. You will see as we go through the book there will be less funding for that purpose in other votes. We have changed the system so that all of the Workmen's Compensation Board expenditures come from this vote instead of spreading it over the ministry.

Item 5 agreed to.

Items 6 to 10, inclusive, agreed to.

Vote 801 agreed to.

On vote 802, administration of taxes program:

Mr. Deputy Chairman: Does any member have any questions on vote 802? The member for Hamilton Mountain.

Mr. Charlton: The matter I wanted to raise is under the last item, item 7.

Mr. Deputy Chairman: Any questions before item 7?

Mr. Haggerty: Item 3, Mr. Chairman.

Items 1 and 2 agreed to.

On item 3, revenue research.

Mr. Haggerty: Could the minister give us in more detail what revenue research includes? Are there any research studies on other areas of taxation the Legislature should be made aware of?

Hon. Mr. Maeck: Earlier in the debate we talked about the Ministry of Revenue's providing information to the Treasury regarding tax matters, the administration of taxes and the effects taxes would have on certain situations that might arise. That's what this group does. They are a research group that reviews the operational practicality of proposed legislation. The Treasurer may come to our ministry and suggest he may want to implement a certain tax. He will ask for advice from us as to whether it's feasible or not. The research group will investigate and report to the Treasurer as well as to the minister on matters such as this.

Mr. Haggerty: The minister did touch on the matter of refunds on taxes. I was wondering if he could indicate to the House the policies as they relate to late filing of the retail sales tax and why there is a double penalty in it. Is there some way the minister can make it much easier for the person who has to carry accounts for 90 days or something like that? It's rather difficult for him to have the cash flow to contribute to the provincial coffers. Is there an easier way the minister can ease up on the double taxation? As a penalty, a person has to forfeit his part in collecting the tax in the first place and running that particular service. I think it runs to about 150 per cent or up to that per year, if you use the double taxation.

Hon. Mr. Maeck: I have to impress upon the member that retail sales tax is money that is collected on behalf of the crown by people who are in the retail business. They collect the money and there is no reason why they shouldn't be able to submit these taxes after they have collected them. We give them 23 days. It is on the 23rd of each month they must submit the retail sales tax collected for the previous month, so after the end of the month they then have 23 days to submit the tax, or at least to get it in the mail. I believe there is a five-day grace period after that.

If we find they are late in filing, the first time they will get a letter from us suggesting they should be perhaps a little less tardy and get it in on time. If they persist in late filing,

then we do have a penalty and I think that is only just and fair. I don't think our staff really harass any of our tax collectors, our vendors out there, but I think it has to be borne in mind that when they have 23 days to get their taxes in after the end of the month and then another five days before we consider imposing a penalty, we are being very lenient with them.

It is not as if we were asking them to send us some of their money. All we are asking them to do is to submit the taxes they collected on our behalf, so it is not the same thing as having to dip into their own pockets. In some cases I must admit they use our money they have collected instead of submitting it to us, to pay some of their other bills. We can't really go along with that sort of situation. We eventually have to collect the taxes owing the province.

I am told the tax penalty is not cumulative. The interest rate is nine per cent per annum; that is not an unreasonable amount when we realize if we go to the bank today we have to pay something like 16 or 16.5 per cent to borrow money.

Mr. Haggerty: Are all those who submit taxes to the Ministry of Revenue—all of the persons remitting, the businesses or enterprises that submit their taxes to the ministry—are they all treated on the same 23-day period or are there some staggered to give them up to six months, five months, three months or what? Are there variations given to certain industries or businessmen?

Hon. Mr. Maeck: Yes, there are variations. People who collect a very small amount may make arrangements with our district taxation office to pay every six months, or in some cases even only once a year if it is a very small amount. We are quite prepared to deal in a rational manner with anyone. We don't want them sending in a retail sales tax submission for a dollar a month or something like that, it is obviously not worth our while or their while; but in those kinds of situations they can make arrangements, through the district taxation office or by writing in to the ministry, to pay once a year, in some cases every six months and in some cases quarterly.

Mr. Haggerty: Again, the 23 days just doesn't hold water for everybody submitting retail sales tax. The minister is telling me that at his discretion he can vary that period of time from 23 days to six months or a year.

What is the volume, though? The honourable minister said $1, but surely you don't submit $1 at the end of the year. There must be some levels—$50,000 or $20,000 or $10,000 or $5,000 or $2,000; does it all relate to the 23-day period?

Hon. Mr. Maeck: I will have my staff give me the amounts we are talking about. I am not sure of the amounts, I know we are talking about relatively small amounts.

What we are saying basically is this: If there is only a small amount the cost of mail alone is 17 cents, and if somebody—

Mr. Haggerty: One cent a day.

Hon. Mr. Maeck: If somebody is only collecting a very small amount it is not reasonable to ask him to submit taxes every month, so they do it quarterly or semi-annually or annually, depending on the amount of money. I will try to get you the amounts, or a rough estimate at least of the amounts we are talking about here. There are some 15,000 people who are on this kind of a program. They are not paying every month so I think we are being very reasonable and lenient as far as the vendors are concerned.

Mr. Deputy Chairman: Do we have to wait for a moment for that answer, Mr. Minister?

Hon. Mr. Maeck: I'm told by staff that is so. If it's $1,000 a year or less it is $500 every six months maximum for the extended filing; and that of course would be $1,000 a year. I'm told also there are about 25,000-plus vendors on the six-month program.

Items 3 to 6, inclusive, agreed to.

On item 7; retail sales tax and other taxes:

Mr. Charlton: Mr. Chairman, I have a situation that's been brought to my attention, which I'd like to raise with the minister, dealing with the purchase of musical instruments.

It's my understanding—and the minister can correct me if I'm wrong—that if a board of education does bulk purchasing and sells musical instruments to its students at the bookstore or wherever they're not charged retail sales tax, but if a student is going to a school where the board of education doesn't happen to do the bulk purchasing, perhaps because it doesn't have enough in terms of numbers to be bothered getting involved in that kind of thing, the student then has to pay the retail sales tax.

First I'd like to know if that's correct; second, if that's true is there not some way that students could submit a note from the teacher or school and get a tax rebate on the retail sales tax?

Hon. Mr. Maeck: I presume my staff is preparing a reply for me and I'll have it for the member very shortly. It's not something that has come to my attention personally but I do know that musical instruments pur-

chased through the school would be tax exempt. I think that's right.

I also know, of course, that if I go to a music store to buy an instrument for my child I'm going to pay sales tax on it. The member's question was is there any way for my child to apply for a rebate on that sales tax, because if he had had the opportunity to buy from the school he wouldn't have had to pay it? I understand that's what the member is saying. He can understand the complications: every person who wanted to buy a musical instrument would say it was for their child. I don't know how we, as a ministry, would enforce that kind of a policy, although I'm sympathetic to it.

I suppose there would be ways and means, if a letter was received from the principal saying that the musical instrument was purchased for the use of the student in the school; something like that could probably be considered.

Mr. Philip: Would an analogous situation be that of buying special car seats for posture, which I believe are exempt if a chiropractor or medical practitioner of any kind has written a prescription for that particular device to be used by the driver? If on the other hand he simply goes in and says it would be good for his posture to have one of these posture seats he has to pay sales tax, as I understand it.

Surely there would be some way of the school saying that this particular instrument is required for use in school activities, which would be analogous to the chiropractor saying that this is part of the treatment or program that a patient is involved in.

Hon. Mr. Maeck: I don't know whether there's an analogous situation there or not, but on this particular matter I'm told by staff that purchases by boards of education are tax exempt, but sales by schools to students apparently should not be tax exempt. we should be collecting tax; that means all students would be in the same boat. However, staff has asked for more details on this. If the member would give me additional information we could look into it in detail and find out the situation exactly.

[4:00]

Mr. Charlton: I will do that, Mr. Minister. I don't have the letter here because it wasn't sent to me personally. One of the members of our caucus received a letter I believe from an association of music teachers. I will get a copy of the letter for the minister so he can look into it.

Hon. Mr. Maeck: I would appreciate that. I would have thought they would be exempt if they purchased from a school but I am told that is not the case. When I think about it, I guess when schools are selling soft drinks or other items in the school they must collect tax. I have had letters about it before.

Mr. Deputy Chairman: You better be careful or they will all be paying sales tax. I gather the minister does not mean he is going to follow up this matter right now but at a later date.

Hon. Mr. Maeck: Yes, but I have one other note here from staff. Instruments have to remain the property of the school to be tax-exempt; instruments cannot be the personal property of the students. This means if the school purchases instruments, fine, it doesn't pay any tax; but the students just use the instruments, they don't buy them. If they bought them they would have to pay the tax. That puts those students in the same boat as a student who might buy an instrument from a music store. None would be exempt except the school board itself.

Mr. Deputy Chairman: Perhaps the member for Hamilton Mountain won't want to produce that letter now.

Hon. Mr. Maeck: I don't think it would be necessary.

Mr. Haggerty: Has the ministry or the cabinet given any consideration to removing the provincial sales tax on building materials for the construction of new homes? I am sure the minister is well aware of the high interest rates new home buyers are faced with today. They have been substantially increased in the last four or five years, from about eight or nine per cent to 15 or 16 per cent, and in some cases they may even be higher.

The minister is well aware that every time the American government increases its interest rates the Bank of Canada seems to follow suit. It does not seem right that purchasers of goods in Ontario have to borrow money at high interest rates as the result of poor management by the American government. That seems to be the crux of the whole matter of rising interest rates: the poor management of our friends to the south. We seem to follow the American practice: when their interest rate goes up we have to raise ours also. I think it is an injustice, particularly to those purchasing a home.

I think the Ontario government should find some relief in this area, and I suggest to the minister that removing sales tax on building materials for housing would be of help to home buyers and would without doubt assist the slowing economy now facing Ontario. I

am told a great number of unsold houses will be sitting there for quite awhile. Builders in my area have gone seeking jobs in industry because they cannot sell existing houses on the market. People just cannot afford the high interest rate.

Perhaps this is an area the government should be looking at. Removing the sales tax on building materials would provide at least some break on the cost of new homes and in that sense subsidize the high interest rate. Has the ministry or the cabinet considered such a step?

Hon. Mr. Maeck: The matter of removing sales tax on building materials has been discussed many times within the ministry, within Treasury, within the government, and I am sure in this House. In the last year or two we have been removing sales tax on building materials, we have been removing sales tax on insulating materials and so on. I think I agree, as has always been thought, that if the retail sales tax were removed on building materials there is no guarantee the benefit is going to be passed on to the person who is building the house. I would suspect that in most cases the seven per cent would suddenly appear in the price of the material. Instead of the province and the taxpayers getting some revenue, it might be going to some other group that would be selling the materials.

In other words, there's no way of guaranteeing that when you remove a tax that tax saving is going to be passed on to the person you are trying to help. I don't disagree with the member when he says the interest rates are high and that's the reason houses are not moving, but I might say also that I don't think that's the only reason they're not moving.

In most areas of the province there is now not the shortage of housing there was a few years ago. There are a lot of houses on the market. I don't think we need the stimulation we needed a few years ago when we talked quite a bit about removing the sales tax on building materials to stimulate housing construction. In this day, while we might need the stimulation for employment purposes, there are a lot of vacant homes sitting around this province and a lot of them were sitting around prior to the interest rates going up.

I'm not saying the interest rates aren't a deterrent to houses moving. But I really believe, if you look at the ads in the papers, at least in the area I come from there is quite an abundance of housing right now in Ontario. As I have said, I have two main objections: One is the fact that there's no guarantee it would be passed on; two, we could lose a tremendous amount of tax dollars. My staff estimate, roughly, that if we were to remove the sales tax on building materials it could come to anywhere between $150 million and $200 million a year, which is an awful pile of money to take out of the budget at one point.

Mr. Haggerty: Thank you for those comments, though I think you could well work it. You worked it here a few years ago with the first-time home buyer's grant. That's actually what it was. We almost figured out what the sales tax would be on the purchase or construction of a new home and it worked out to about $1,200 or $1,500 at that particular time.

You could work it with the same program you had for the home buyer's grant on the retail sales tax. Once the home is constructed and the person has moved in, then the retail sales tax could be rebated and go directly to the purchaser of the home.

I quite agree with the minister. It's just like the time they removed the sales tax on shoes up to $30 and you were taxed beyond that amount. All of a sudden shoes all went up to $29.95, even for two year-old tots. That is what happened, the price went up. I'm not sure whether the saving was passed on to the individual purchaser of the shoes. It was another way the retailers seemed to capitalize on the sales tax. I think the minister is aware of that.

That's another area that perhaps I should be looking at when I talk about the retail sales tax on shoes. There should be a break given to the person employed in industry. If you have to go out and buy a pair of safety shoes you're paying well over $30 for them, and they could go as high as $40 or $50.

Mr. B. Newman: You buy a regular pair for that.

Mr. Haggerty: They're pretty expensive. But when a person has to start paying a sales tax on that it is quite a story in itself.

I understand—and hope I'm correct on this—if certain industries supply their employees with the boots there is no sales tax. But the employees still pay it out of their weekly cheque. If the employee buys them individually he still has to pay the tax. I could be wrong on that, but there's an area in which the minister should be looking. You should give the guy who is keeping your business going the wage earner in Ontario, some breaks on some of these things. When he has to go out and buy a pair of coveralls, I don't have to tell you the price of those today. Coveralls or wearing apparel for spe-

cial working conditions are expensive. Shoes are one of the most expensive articles there are, and some people go through about two or three pairs a year. It can be rather costly. In some particular areas that should be considered as a write-off, just as management has a certain amount of write-offs for the purchase of goods they have to use. Not because of necessity but because they are for their protection. You should be looking at that area to remove the sales tax on articles such as work boots.

Hon. Mr. Maeck: It's not just work boots that are taxable. I have to pay sales tax on my shoes too. I don't think I can buy them for under $30 any more. They're usually over that, so I'm paying tax on them. It's the same with my clothes. We're all in the same boat. Under personal income tax, the federal government does have an allowance or exemption on working clothes of up to $300. I think there is a benefit there.

Mr. Haggerty: That should be even higher.

Hon. Mr. Maeck: You can buy quite a few work clothes for $300; I think it's reasonable. I doubt very much whether they go through three pairs of those heavy shoes a year; but maybe they do, there might be certain jobs where they do.

Mr. Haggerty: If you're working around furnaces where there is hot metal you can go through them in no time.

Hon. Mr. Maeck: However, while I always have sympathy for the working man and would like to see us give him as many breaks as we can—

Mr. Haggerty: I can see the tears in your eyes.

Hon. Mr. Maeck: —I think we have to be realistic and realize we do have to collect a certain amount of revenue to run the province. You can come up with all kinds of things I can be sympathetic to from a personal viewpoint and on a personal basis, but the first thing I have to think about is how do they affect the revenue of the province. In order to run the other programs you may be in favour of we have to collect the money somewhere.

Mr. Haggerty: It has been about 45 per cent for about three years, or 15 per cent increase for one year.

Hon. Mr. Maeck: If there is a real hardship in some of these areas I'm certainly prepared to look at it. With the personal income tax deduction of up to $300 for working shoes, clothes and so on, it isn't a bad break. It's not perhaps as good as some people would like, but at least it's a step in the right direction.

Mr. B. Newman: I wanted to raise an issue that is raised every year with the minister. It concerns some method of assisting the physically handicapped in the purchase of miscellaneous items. There are children wearing adult-size clothes, as a result they have to pay sales tax because these are over a certain size. The handicapped have to buy crutches, wheelchairs and miscellaneous equipment like that. I think there is a sales tax imposed on that.

Mr. Deputy Chairman: Has the member finished?

Hon. Mr. Maeck: He is waiting for an answer to that. Speaking now off the top of my head, I believe orthopaedic equipment and so on is tax free, although my staff is preparing a proper answer. I'll have it for the member in a minute. If he wants to continue with another item I'll get back to him.

Mr. B. Newman: Will you look into other types of assists for the handicapped and not just the few of which I made mention? It's bad enough being handicapped without having to pay a substantial sales tax.

Hon. Mr. Maeck: While we're waiting for that answer, my ministry does, from time to time, meet with the committee for the handicapped—I forget its official name—to get advice regarding tax matters. I'll probably get the proper name for it in a moment. Usually their advice to us has been they're not looking for a reduction in taxes. What they're looking for are better programs from the social policy field. They don't think taxes are the right way to go as far as looking after the handicapped is concerned.

Mr. B. Newman: They get neither.

[4:15]

Hon. Mr. Maeck: I've had advice from them on such things as the retail sales tax exemptions on vehicles that have been converted for their particular use. I have had submissions from other people who, because they had a leg off or something, asked for a sales tax exemption on a regular car—well what I would call a regular car, one with an automatic transmission for example. There really is no change in the vehicle itself but they feel because of their condition they have to buy a car that is not standard, that does not have a standard shift with a clutch and brake and so on. I have taken that sort of a case to the committee, the members of which are handicapped people themselves, a lot of them, and they have said no, they would prefer to see the assistance come from a

different direction rather than tax exemptions. They agree with the tax exemption as far as a modified vehicle is concerned because it requires special work to build that vehicle to accommodate them, they feel that is a legitimate tax exemption, but they don't think we should be going beyond that.

It is the same thing with assessment. We were talking about that a little earlier. A private member's bill was introduced very recently, in the last few days, requesting exemption from assessment if a house is modified for someone who is handicapped; yet that committee with which we deal from time to time has suggested that isn't the right way to go, if there is going to be assistance it should be in a different form. Rather than asking a property tax assessor or a tax man to make decisions of that kind there are qualified people who should make those decisions in the social fields. Their general thrust and their general outlook is not to do these things through the forgiveness of taxes but rather to implement the programs in another way, which would be through the Ministry of Community and Social Services or the Ministry of Health.

The exemption, according to the act, is an exemption for artificial limbs and orthopaedic appliances. There is an exemption for equipment designed solely for the use of blind persons, cripples or chronic invalids; that covers a fairly wide range of exemptions.

Mr. B. Newman: You mentioned certain groups and organizations which thought there would be a better way than the sales tax approach. It is kind of strange, because I have a letter from the Muscular Dystrophy Association that specifically indicates a sales tax exemption. They mention that some system of exempt cards, similar to senior citizens' cards, could be worked out. Naturally they would have to be authorized and signed by some official government agency or individual in government, because it is going to be a purchase for that individual who has the specific handicap.

I know it isn't a simple problem to resolve, but I think we in government have to set the example and do everything we possibly can to make life a little more comfortable for those who have any type of a handicap that limits their mobility. Just as we ask for specified parking areas in municipalities and at the service centres on 401 and so forth, we have to take a new approach to these people as far as government is concerned and bend over backwards, so to speak, in attempting to alleviate the problems they suffer.

I hope you could find an approach, or your officials; I would think they are intelligent and capable enough, bright-minded enough to come up with some type of answer. I would think some jurisdiction does have a partial answer to the solution.

For example, there are chairs which have electric lifts to assist an individual who has difficulty sitting up or getting up from an armchair. You just press the button and the seat elevates and puts the individual on their two feet. I understand that runs about $1,800 for the chair and by the time you finish paying sales tax on that it is a substantial amount of money. I know, Mr. Minister, you are just as concerned as anyone on any side of the House, but I would like to see a little more effort spent on the part of your officials to find something that is at least a partial answer and maybe a complete answer to assisting these people—you name the style of handicap—so that we can make life a little more comfortable for them.

Hon. Mr. Maeck: As the member has said, certainly I have every sympathy. I can give you the proper name of the people we consult with from time to time. It is the Ontario Advisory Council on the Physically Handicapped. If we have some doubt about a car that has been remodelled, for example, they make the final decision on it and give us advice as to whether or not it should be tax exempt.

Just as a matter of interest, to March 1978 there have been 256 claims that have been rebated to physically handicapped people in the amount of $100,222. To February 23, 1979 there have been 457 claims and the total amount of rebate is $168,216. Out of that amount, $29,343 was paid to nonprofit organizations, which are also exempt under certain circumstances.

Mr. B. Newman: One of the problems with that approach is that many people are a little backward and shy and don't want it known that a member of their family is handicapped, so they won't go to one of the national or provincial organizations.

Hon. Mr. Maeck: They don't have to go to them.

Mr. B. Newman: They would like to be able to go directly to a sales tax office.

Hon. Mr. Maeck: They can apply directly to us if they so desire, and most of them do. If there are any complications or if we need any advice on it, those are the people we go to for advice. I did give you a list of the items that are tax exempt, and we are open to suggestions all the time.

The suggestion you made about the new chair is something that staff should certainly look at to see whether that should be given a tax exemption; we are open to those kinds of suggestions. The only point I was trying to make was that we are tax collectors.

Mr. Haggerty: Of the worst kind; you have no heart over there at all.

Hon. Mr. Maeck: We are really not in the social field. While we are prepared to cooperate, I think decisions should be made by someone who is perhaps a little better qualified to make those decisions than we would be as tax collectors.

Mr. B. Newman: You make a good point, Mr. Minister, but I would still like to see your officials look at it a little more seriously, because the numbers you have mentioned to us that have received tax exemptions really is just a drop in the bucket when you look at the number who are handicapped in our province. It is a start, it is a good thing, we commend them for doing it; but let's expand it as much as we can.

We are not asking anything for anyone other than those you have sympathy for, as I think everyone else in this House has and as have I. I don't think I am any more sympathetic to them than anyone else is here.

Hon. Mr. Maeck: The point I was making when I gave you those figures is I was dealing only with automobiles that were converted for the use of the handicapped. I am dealing with no other item at all. I am not talking about artificial limbs or anything like that in that figure. I am talking only about vehicles.

For instance, some vehicles may have to have a much wider door than others, so it is a specially manufactured vehicle for that particular person. That is the type of thing I was referring to when I gave you the numbers. That isn't the total number of things we have done for the handicapped.

Mr. B. Newman: There are newer types of devices and equipment coming out every day and I hope your officials, as they get requests for tax exemption on these new pieces of equipment and so forth, look favourably on them.

Mr. Haggerty: I was just discussing this with my colleague, the member for Niagara Falls (Mr. Kerrio), and he says the minister has a rather tough job over there to collect taxes. He said you can't keep up with your colleagues who are spending so fast over there.

The member for Windsor-Walkerville is making a strong plea. I suppose the minister should be looking at the good book, St. Mark, chapter 2, about how Levi, the tax collector for the Romans, was taking the taxpayers every way he could think of. Then one person came along and said, "Follow me," and he saw the light and there was a change in him. This is what the member for Windsor-Walkerville is trying to indicate to the minister. Let's have a change of heart for the handicapped persons throughout Ontario and really give them some assistance.

Mr. Deputy Chairman: Levi worked on a percentage though.

Mr. Haggerty: Don't tell him that.

The minister, in a previous question I asked him about the retail sales tax, was almost crying that there wasn't enough revenue coming in, however if I look at the track record of the ministry's estimates over the last two or three years there has been an increase of almost 15 per cent in the last three years, and that's a substantial windfall.

Perhaps much of it can be derived from metric conversion, which the government so enthusiastically got on the bandwagon with. It is a great thing for the government. I remember last year during the estimates I raised a question related to the gasoline tax, and you said at that time the conversion would bring in about $4 million more.

I don't have to tell anyone that every time a person wants to get some work done on his automobile or get his oil changed in the car, instead of taking four quarts of oil it now takes five. If one looks at the revenue generated, the windfall profits from that alone, one would think some of it should be passed back to the consumer; but apparently even the plea from the member for Windsor-Walkerville isn't receiving too much attention today.

I bought some antifreeze the other day. I looked at the price of it and I thought it was just out of this world. I happened to look at the shelf and said, "You have some old stock there from last year." I bought the old gallon at that time and I compared it to the present metric conversion, and there is quite a difference in the quantity alone.

The consumer is buying a small quantity today but the price has increased substantially and has brought revenue to the ministry. I think this minister is part of the con game that has taken additional revenue from the consumers of Ontario and added to it the windfall profits from the large increase in the retail sales tax over the last two or three years. I think eventually there is going to be

a breaking point on this and we are going to have to see a change on that side.

I don't think the public is going to stand for it much longer. They have been hoodwinked into metric conversion and it has been costly to the consumer. Almost everything he buys today in the grocery store or for his automobile has an increased price on it. You have been part of that inflationary cost that has spiralled in the last four or five years by going along with metric conversion.

It is not necessary in Ontario or even in Canada. Our greatest trading partners are the Americans and they aren't jumping on that metric conversion bandwagon. I suggest the government should take another good look at this thing. All it has brought is windfall profits to the ministry here and profits to the large corporations. I think it's time the government takes a second look at this thing. If they wanted to get into a study they could find out just what effect it has on the consumers. It's been costly and I think it's something that wasn't necessary at this time.

Hon. Mr. Maeck: There is no question we have an increase in revenue in retail sales tax over the last two or three years; but I think to be fair one also has to look at the other side of the ledger, we have to realize what the demand for dollars has been on the government as well. Inflation does feed us more taxes. If the price of something goes up we gain, there is no question about that; and inflation has been moving for some time. It is not that we have raised the rates of retail sales tax, we haven't raised them. It's seven per cent and has been—

Mr. Haggerty: You don't have to when one has to buy five for four.

Hon. Mr. Maeck: By the same token, our expenditures are going up too, because of inflation, the same as everyone else's. So while we may be showing a bigger revenue in retail sales tax, if you look at expenditures—

Mr. Haggerty: It's poor management.

Hon. Mr. Maeck: It's only fair to compare our expenditures. You can't make the comparison just in this ministry, you must deal with the government situation in general; what it's costing us to operate now as compared to what it cost when we were taking in less in retail sales tax. I think everything is fairly relevant. We haven't added items to the retail sales tax over the last couple of years since I have been the minister.

Mr. Haggerty: It is not too many who want to—

Hon. Mr. Maeck: As a matter of fact we have eliminated things, we have taken some off; for example the energy package that we brought in in the last session, all of the insulating materials that have been given an exemption. Mind you, on the other side of the scale, before the member for Hamilton Mountain stands up, I admit we are collecting some retail sales tax on cable TV and other items like the rolling stock on railways; we have added those items, but the seven per cent has not changed over that period of time. Those are some of the reasons our revenue is up.

The cable TV thing is not going to show on the figures you have now because it was only implemented in March. We won't know what results that will produce until the next time around. There have been some items that have been added and some items that have been deleted, but as I recall the last budget that we brought in, overall, in all of the taxes that we dealt with, I think there was an increase of something like $80 million or in that neighbourhood projected overall in the entire budget.

Mr. B. Newman: Mr. Minister, the government apparently will be opening duty-free shops at all points of entry to the United States, that is all points of entry in Ontario to the United States. The federal authorities have already permitted that and it's just a matter of time before Ontario will be selling alcoholic beverages without a tax to our American friends. Have your officials estimated the loss in revenue as a result of these shops; I would assume that maybe from the duty-free shops at the airport you might have an idea as to what it will cost the citizens of Ontario in tax losses?

Hon. Mr. Maeck: The only tax in which this particular ministry is involved with liquor is the sales tax. As the member has already indicated, Americans would be taking it out of the province. Sales tax is a consumer tax. It's not being consumed in this province so therefore it would be exempt from tax, the same as the program we announced. Foreigners can buy any goods exempt from sales tax in the province and take them out.

Mr. B. Newman: Mr. Minister, you really don't get what I am referring to. You have people now who will take advantage of this. They will cross from Detroit into Windsor. They will go into the store. They will buy the items that they wish to purchase and they will go right back over to the United States—

Mr. Haggerty: Forty-eight hours.

Mr. B. Newman: —without paying a sales tax. Normally they still would have come into Windsor, but they would have had to go into a regular liquor store, during certain specified hours, to be able to buy this. Now we are not going to get that revenue because they are not going to have to go into a liquor store. They will be able to go and bring it into the United States on that 24 or 48-hour exemption.

Hon. Mr. Maeck: I am informed by staff that actually the province doesn't involve themselves in the duty-free shops, it's the federal government.

Mr. B. Newman: I know you don't, but that individual would have had to have gone to a liquor store to purchase the article, wouldn't he? He would have paid the sales tax, or it would have been built into the price of the bottle of alcoholic beverage. It is in there, you are not selling it to him for nothing; but when he goes into the duty-free shop he is no longer paying, let's say, $10 for the bottle, he is only paying $8 for the bottle. There is $2 of revenue lost to the province.

Mr. Haggerty: More than that.

Mr. B. Newman: I am being very conservative.

Hon. Mr. Maeck: I am told by staff it is the federal customs people who should catch that situation, not us. I know what the honourable member is getting at. He is telling me when the duty-free stores are right at the border people don't have to go any further than that to do their shopping and go back over. They don't leave any money anywhere else at all, and they just—

Mr. B. Newman: Not necessarily.

Hon. Mr. Maeck: Not necessarily. I don't know the answer to that. It is not a policy this ministry deals with at all, in any way, shape or form. I could pass your concerns on perhaps—I don't know which ministry it would be.

Mr. B. Newman: There is a loss of revenue to the ministry or to some government agency from the fact that the article is purchased at a cheaper price because no longer are taxes involved on the article. It is duty free, so the buyer is paying substantially less for the article going into that duty-free shop and bringing it across the river to Detroit rather than going into one of our regular stores in the city of Windsor and paying the regular price plus all sales taxes on it.

Hon. Mr. Maeck: He doesn't have to pay sales tax if he buys it somewhere else. If he comes over from the United States he can buy it tax free. All he has to do is apply for the retail sales tax rebate. It doesn't matter whether the price is $3 at the border or $7 in downtown Windsor, the fact is there is no retail sales tax anyway.

The honourable member will recall the pamphlet I sent over when we announced that people out of province could purchase tax free, so that people in Detroit or wherever can come over to Ontario and buy. They can buy an automobile or anything else tax free. They either fill the application out at the time, or they take it with them and apply when they get home, but they can purchase it tax free.

Mr. B. Newman: I understand all of that, but that individual will come to Windsor on a Saturday afternoon, he will buy the article and he will go right back over to Detroit and he will simply make a declaration he had been in Windsor for 24 hours or 48 hours, the required length of time.

I know he can be travelling from Buffalo through to Windsor and take two days or a day, whatever is required, and buy it and declare it on the American side without paying any type of tax, but he is going to be buying it at a substantially reduced price in the duty-free shop.

Hon. Mr. Maeck: But he doesn't have to be here any length of time today. He doesn't have to be here 24 hours or 48 hours to buy goods free of retail sales tax. There is no reason for him to be here any more than 10 minutes. The honourable member and I will talk about it later. I think there is a misunderstanding.

Item 7 agreed to.

Vote 802 agreed to.

On vote 803, guaranteed income and the tax credit program:

Mr. Swart: I want to take a few minutes —not too long—on the issue of the administration of the property tax credits. I have expressed concern a number of times over the last two or three years about what is taking place in the property tax credit field, and I want to reiterate and re-emphasize the seriousness of it in these estimates.

We all recognize, as I'm sure the minister does, that the property tax credit was brought in to relieve the regressiveness of the property tax, which has been shown by studies made by Mr. White and many others to be a very regressive tax. It was introduced, I believe, in 1972. Then I guess it would be fair to say in 1974 the tax credit was very much enhanced and brought to a level which to a very substantial degree did almost to-

tally relieve the regressiveness of the property tax. I give credit to the government for doing that. I think that was a good move that was followed to some extent by other jurisdictions in this nation.

Since 1974, the property tax credit has come to be a lesser and lesser part of the total taxes paid by the average person on low income in this province. The regressiveness which existed before has been now reoccurring to a very substantial degree. I'm hoping the minister will very seriously consider making recommendations, because I think this is what should be done in his case for changes in that property tax credit.

The minister probably knows mill rates in this province during the last four years, from 1974 to 1979, according to the figures from the government itself, went up by 61 per cent. Actually, the average residential property tax went up a bit more than that because, as we know, the average assessment per home has increased somewhat year by year because of new buildings and improvements in the homes. In fact, the average property tax has increased by about 65 per cent in the last five years. I think the minister's staff would bear out those figures.

The property tax credit during that period of time has only gone up from $387 million to $455 million for this year. That is an estimate from this year which was taken from the budget. That's an increase of about 18 per cent while taxes have gone up by 65 per cent.

The minister shakes his head. Let me pull out some of his own documents. Let me refer to Advance Notice of 1978 Provincial Transfers to Local Government, Municipal Spending and Mill Rate Performance, 1974 to 1977, turn to page 3 of that document where it states that during those three years, from 1974 to 1977 the total percentage increase in residential mill rates was 43.5 per cent.

According to the minister's figures in the following year it was 5.1 per cent; but this has to be compounded, and that's on top of the 43.5 per cent. This year it is estimated to be 6.9 per cent. If these figures are compounded on top of the 43.5 per cent, that brings it to 61 per cent.

I suggest that figure is correct. If you add in the increase in assessment per residence also, the increase which takes place and which is adjusted for the equalization factors about every other year, you will find it brings it up to 65 per cent. I say that statement is correct.

It's bad enough that the property tax credit has fallen relatively by that amount, which is a very substantial amount, but if the minister looks at his own figures he will find the property, the increase in the property tax credit to those on the lower incomes—those in the $5,000, $7,500 and even up to $10,000 range—has not increased by that average 18 per cent. It has increased by between 15 per cent and 16 per cent. Again, that is from the figures of the government of Ontario. Here we have a situation where people, particularly in the lower income bracket, may have received—and I am going to go into that in just a minute—about 60 per cent of their taxes being paid by the province in 1974 under the tax credit system. Now we find that has been dramatically reduced.

[4:45]

What it means is the increase in the property tax burden has fallen most heavily on those in the lower income groups since 1974; the net tax they have to pay has increased, percentagewise, far more than it has for those in the middle and high-income groups. We have a program of restraint, we hear predictions—and it is already taking place—that the standard of living is going to fall, the cost of living is increasing more rapidly than the average income.

Statistics Canada stated at the beginning of October or November that in the preceding year the cost of living rose nine per cent and the average income had only gone up by six per cent. That is something we, in this party, do not think should necessarily take place, because there is a solution to it. But you are the government, and there is the government in Ottawa; therefore, it has taken place. That's bad enough, but when you have the burden falling more heavily on those in the lower-income brackets—and property tax is a fairly substantial tax—you should take a new look at this and make recommendations.

Let me give you some figures taken from your own documents; I hope your staff will check them out afterwards. In 1974 on a standard property tax of $500, a person with an income of $5,000 that year—which is low, but there were many such at that time, including old-age pensioners, who had an income around that level—they had a tax credit on that $500 of $310. I am sure you are familiar with how that is worked out. If they were old-age pensioners they got that amount of tax credit. That left a net tax of $190.

The tax on the same house in 1979 at the average increase of 65 per cent would be $825. If those persons had the same income —and that is not normally the case; they would have had an increase in income; but if they did have the same income their taxes would be $472.50 as the net to be paid. The tax credit on the $825 would be $340, and

the balance of $472.50 would have to be paid. This is up from $190 to $472.50. If their income had gone up during these five years in comparison with the guaranteed annual income, the tax credit would be even less. In fact, the amount they would have to pay would be a net tax of $512.50.

I am sure that if your staff goes into this they will concur, generally, with the figures I have given. These are old-age pensioners who paid a net tax of $190 in 1974 in property tax; on the same house this year, 1979, they would pay $512.50.

The contrast is not quite so great for someone in that income group who is not an old-age pensioner; that $110 would remain the same. After deducting $110, that person would pay $300 in 1974; that figure is rather easy to compute; but now they would have paid $582.50 with the same income, or $622.50 if their income had increased in line with a guaranteed annual income.

If you look at the percentages on those, the pensioner with his income going up is paying two and three quarters times as much in net taxes; the person who is not a pensioner would be paying 90 per cent more than in 1974.

To put it another way, in 1974 the government was paying more than 60 per cent of the tax and now it is paying less than 40 per cent. Conversely, the old-age pensioner was paying less than 40 per cent of the $500 in 1974; now he's paying more than 60 per cent of the $825.

Mr. Bradley: Remember Darcy said he was going to fix that all up in his budget?

Mr. Swart: I remember. I have that budget right here. He was going to bring in a whole new program for the senior citizens and relieve them of their taxes. That $110 was going to be raised to $400 and they were going to relieve them.

I'm not even asking for that here today. I'm asking the minister to take a look at it and at least keep up the same percentage they were paying back in 1974. Surely those on low incomes, and this applies to those up to $10,000 or so, in a decreasing proportion, should not have to bear the brunt of the restraint program of your government.

I'm asking the minister to make an adjustment on this so that those old-age pensioners and others on the very low income don't go on to suffer this kind of tax abuse which is being applied against them.

I hope when the minister gets up he will make some answer to this. I hope he will say whether he has any plans to make any adjustments in this field to enrich that, or to make any adjustments in any way to this so those people get a fair break.

What I'm really saying is that the property tax credit really should be indexed to the increases in property tax. I think that's not an unfair way to do it. I would like the ministry to consider that.

I know the minister doesn't have all the control. He's got to go to the Treasurer (Mr. F. S. Miller), he perhaps makes the final decision on that; but the minister does administer and I hope he will bring to the Treasurer's attention this hardship that is being applied against those on low incomes.

The second point I want to make with regard to the tax credit will be brief, I made it before. Although it is called a tax credit at the present time, it takes on the connotation more of a tax refund. The person has to pay the total tax, whether it's in July or whatever the time of year, and then wait until the next April until he gets either a credit, or often, with the low-income earners, a refund on those taxes.

There are two reasons I feel strongly, and my party feels strongly, that this tax credit, recognizing administrative problems involved in it, should be applied at the time the taxes are paid. They shouldn't have to pay this and then get it back at some later date. I think it is possible to find a way of avoiding that.

One reason I feel it is important, and I'm sure the minister would agree with me on this, is that if they get a tax credit at the time they pay the tax there is a realization on their part, if they went in to pay taxes of $800, and there was $300 deducted right at that time that it is a tax credit. Now they get it back later in the following year and many of them don't really relate it directly to taxes paid. I'm sure the minister would agree with me on that. It's desirable for people in a democracy, or whether you have a democracy or not really, to realize what is taking place. You have greater accountability if that is the case. It's important people know what is taking place. If they are getting a tax credit it is directly applicable to that amount of money they're paying and the government of this province is paying part of that tax for them. I think it's important for that reason, but a greater reason, which these people have already stated of course, is they now have to find the money.

Many of the people on lower incomes, as we're all aware, live from hand to mouth. They wait for their old-age pensions and the Gains cheques to come in at the end of the month. They hold off buying things. They

don't have any reserve or any reservoir they can coast on. When they get a tax bill of some $500, $600 or $700, whatever the case may be, it is a real blow to them and they have real difficulty paying it. If there is some way of working out a tax credit so they didn't have to pay that, I think it would be extremely desirable.

I want to throw out two suggestions. One comes from my colleague from Hamilton Mountain, who is not in his seat right now but is coming in. One method might be, where there are wage earners at least, to have them declare this on the form they have to fill out yearly, or often yearly, if there is any change yearly with regard to their dependants, et cetera. That form could be filled out each year and they wouldn't have that deducted from their income tax.

Because so many of these people who get the main advantage of this, or should get the main advantage of this, are very low income earners, like senior citizens who don't get a weekly wage per se, I think it could be better worked out by having a credit at the time they go to pay their taxes.

I noticed administratively there can be problems with regard to that, but I suggest to you the government of this province, the government of this nation, and perhaps it's the federal government which has the prime responsibility, could devise a way where they would have a table sent to the local municipalities. Once a person has sent in his income tax form—and let's make no mistake about it, the senior citizens and those on low incomes and have some refunds coming are the first ones who send them in—they could send to that person a statement—it would only have to have his name on it and the amount—which says he fits into a certain category. That would entitle him to a certain percentage of tax rebate. When he went to the municipality he would take that with him, so the notice could go to the municipality. Those are details that can be worked out. I suggest to you, because most municipal taxes are not paid until July at least, the tax bills don't go out and are paid in the latter part of the year, and your income tax is sent in in the early part of the year, it would be possible for the government to do this. They would have a form stating the tax credit that person would be entitled to for that year, so they wouldn't have to find all of that money to pay that tax and then get it back a year later.

I want to reiterate I believe the property tax credit should be indexed to property tax increases, so those on the lower incomes don't keep on losing year by year, as has been the case since 1974.

I want to say the property tax credit should be applied at the time of payment of the taxes. There may be a percentage where this would not work and they would have to get it at the end of the year, but I think it could apply to the majority of the people.

Finally, I want to ask the minister a question. I'm not sure if this has been raised before, but first of all we on this side of the House feel very strongly that the property tax credit which is going to be given by the federal government should in no way be deducted from the property tax credit which is given by the provincial government. I believe this year it's going to be $62.50, and it's going to be increasing, to every person who lives in their own home. I'm hoping when the minister gets up he will have a flat commitment that it will not be deducted in any way from the property tax credits of the provincial government, because yours has been decreasing as a percentage quite dramatically year by year and when the federal government is going to give it, it should go to these people and in no way should be deducted from the provincial property tax credits.

[5:00]

Mr. Chairman, that concludes my remarks. I just want to say that these suggestions, recommendations—however you want to take them—are given in good faith, in good part, to you. If my figures are correct—and I suggest they will be borne out; there has been that dramatic increase in net property taxes for those on lower income—you yourself in government will want to take a look at this and see if there is some way of adjusting this, of enriching the property tax credits. Give it the high priority it deserves, because those people on those low incomes find property tax a real burden.

I know, and I am sure the minister does too, after the tax bill goes out you have those people on lower incomes coming to you and saying, "I don't know how I am going to pay these taxes. They go up every year." The last two years they have not gone up as much on the average in Ontario as they have previously, but this year they went up significantly more than they did last year and I am afraid that is kind of a bad omen; that is due primarily to the government restraint program.

I hope the minister will have some comments to make on this and give some kind of a commitment that he will be reviewing this whole thing to see if we can find some-

thing more equitable and something that more nearly relates to what your government did back in 1974.

Hon. Mr. Maeck: Mr. Chairman, certainly I will make a commitment to the member to look into the concerns he has registered and check into the figures he has given me. He sort of took me by surprise on those; they may have been my figures or they may have been Intergovernmental Affairs', I am not sure. And I am not sure whether the member is referring to residential property tax there or whether he is talking about property tax right across the board in the province. There is certainly a difference.

Anyway, we will examine very closely what you have said. I am certainly sympathetic to assisting the seniors and the low-income people as much as possible. I am sure you are aware that all I can do really is make recommendations to the Treasurer who would make the final decision in a matter such as this—and the government itself, I suppose.

The second item you raised—the matter of getting the cheques to the recipients in a proper manner and at the right time for them to assist in paying the taxes and so on. We have looked at that quite a few times. We realize there are some problems there. As you know, we are tied at this point in time to the federal government income tax system. Application is made when they file their income tax and then the cheque is mailed from Ottawa and if they happen to owe any income tax it is deducted and they get the balance, and so on.

There are two ways in which we might be able to do something to change that. One is for the province to assume responsibility completely and do it ourselves. Then we could do the kind of things that you are suggesting. But as long as we are working through the federal government I think those kinds of suggestions are impossible because we can only work within the framework we are given by the federal people.

One of the big problems we have had in trying to work this situation out is that we pay one per cent to the federal government to administer that program for us. As the member indicated, it will cost us $455 million this year. Within our ministry I had my staff project what it would cost for the province to assume full responsibility and do this program ourselves, from the ground up; in other words, asking the recipient to submit directly to the province and have it processed by the province and a cheque go out at the proper time when taxes are due, instead of coming in long after they have paid their taxes, which does give them some real problems. The estimate that I have on the cost to set up that kind of bureaucracy is around $30 million.

That is to set it up. That would include the computer service and all the other things we would need to do it. From then on the cost would probably reduce to maybe $20 million a year. I would then have to justify to the people of the province why I am spending $15 million a year extra to get the cheques out to these people, which would be very difficult to do. I would also have to justify to my colleagues and to you people across the House.

First of all I would like to see the province have total credit for the money being expended on this program, but mainly be able to get the cheques out at the time they need them, that is really important. In order to do that we would almost have to go to a complete provincial program.

There is a second way of doing it, but I don't know whether that could be arranged or not. It could be that perhaps, some day, we could have the computer tapes sent from the federal government giving the names, addresses and the amounts of the property tax rebate, property tax credit, property tax—whatever term you want to call it. If those tapes could be made available to us, then the cheques could be issued from the province directly. The problem there would be with the timing, whether we would have them in time to be able to assist in getting the cheques out before the taxes became due.

Right now, those who have been on the program for a few years I presume may have adjusted a certain amount as to the timing because they actually do get their cheques about the time the first property tax bills come in, but they are really getting them for the previous year, not for the year they are paying the taxes on. Whether that adjustment could be made while we are using the tapes from the federal government I am not sure. I doubt very much if we could change that timing unless we went directly to our own program with our own bureaucratic set-up.

I really hesitate to go into that, because the other thing that concerns me about that is we would be asking those people to file, in essence, almost a separate income tax to us, another form. They now have to fill out their income tax form and the information derived from that is transferred to another form which is sent in with their income tax form. If we were to go separately and do it all on our own, we would have to ask each one to individually submit an application to us. I don't know how that may be received. People are sort of fed up with bureaucratic red

tape and forms that they have to fill out now. To ask them to fill out another may be a burden.

Another thing is senior citizens, particularly in my area, either have somebody in the local golden age club or in the senior citizens' club sit down and assist them with their income tax forms or they pay someone $5 to do it. There are some people who will do it for senior citizens for $5. Would it mean that those who are now paying $5 would have to pay $10 to have two forms filled out? All of those things can become rather complicated.

We are working actively trying to find a solution to some of the problems you have mentioned and we will continue to do so. Before too long we hope to be able to come up with something that is reasonable and that will be of assistance to those people, who I understand very well really need the money when their taxes are due and not six months later, that is really what the situation is now.

On the matter of the federal property tax credit system that the member talked about, I was asked about that in one of the earlier debates. I obviously cannot speak for the government at this point. The provincial government to the best of my knowledge has not taken a position. However, I have said that personally I am totally against that program affecting our Ontario tax credit program; that is a separate and distinct program. It really has nothing to do with the Ontario tax credit program, nor should it. It shouldn't in any way affect the program we have had in place.

That is another reason it may become a little more confusing to the seniors when these cheques start coming out from the federal government along with our Ontario tax credit program returns. I don't know how we are going to be able to explain to the seniors they are getting so much from here and so much from there. Maybe it is time we were sending out our own cheques, at the very least, rather than having them come from the federal government.

But I am speaking now as the Minister of Revenue. I can't speak for the government because it has not been discussed, to my knowledge, at this time. However, I personally am not in favour of taking into account any of the federal property tax credits and using them in any way to affect our program. That's my personal stand on it. I presume the government will take the same stand but I am not prepared to commit the government until discussions have taken place.

Mr. Swart: Just one further question of clarification. I understood the minister to say that he personally didn't feel he should take into account the funds which are being transferred from the federal government as a property tax credit directly to the individual. The minister will get strenuous opposition from this side of the House if there is any reduction made in the provincial property tax credit because the federal government is also getting into the field. However, there may be some places where adjustments might be made. The minister might be able to adjust his program so that those who have the greater need may get more from his program than in the flat rate from the federal program. We would not have any objection to some form of adjustment as long as the provincial government didn't use that to reduce or to prevent increases they otherwise would be giving in the property taxes.

Hon. Mr. Maeck: Yes, I understand the point the honourable member is making. I understand also that some kind of adjustments might be made. For instance, we all know very well the federal property tax credit program is only for home owners, while our Ontario tax credit program covers tenants and so on. I am sure that is what the honourable member has in mind when he is talking about adjustments. It is possible that some adjustments could be made in that regard, but it has not been considered at this point.

I only make the commitment on a personal basis. My personal viewpoint is that I will not, as the Minister of Revenue—subject of course to the government's final decision—use that money to make reductions in the total amount that is being spent on Ontario taxpayers.

Mr. B. Newman: Mr. Chairman, I wanted to raise a different issue with the minister. That is the Gains program. In the first instance I'd like to commend his officials. Anytime a call is made by my office to the Gains office, it's always expedited with courtesy and that is really appreciated by my own office staff as well as by the individuals for whom we are appealing the case.

But Gains is not indexed. Is the ministry considering indexing it so that it could reflect more closely the cost of living as do the old-age security and the guaranteed income supplement on the federal levels?

[5:15]

One sees the tremendous increases in the price of energy presently in effect and how in the future they are going to be substan-

tially higher. One reads American newspapers where various cities are passing legislation that will provide for energy supplements. The city of Detroit is in the process of passing legislation for this. The state of Michigan now has legislation that will provide energy supplements. The US Congress has a little over $2 billion that it is planning on passing on as energy supplements to people on fixed and low incomes.

I would think it would be fitting at this time to consider increasing the supplement, or at least tying the supplement in to the cost of living; and also to consider, if at all possible—I would like your input on that—an energy supplement so that the elderly and those on fixed incomes can after some fashion meet the high cost of energy in the forthcoming year.

Hon. Mr. Maeck: As the member knows I am sure, the guaranteed income supplement is tied to the cost-of-living index. It is brought up to date quarterly, if I am not mistaken. I think it's every three months.

Mr. B. Newman: I am referring to Gains.

Hon. Mr. Maeck: I know you are. Gains is tied to the guaranteed supplement program.

Mr. B. Newman: It's indexed?

Hon. Mr. Maeck: No, but what I am suggesting to you is the guaranteed income supplement program is indexed and is adjusted according to the cost of living every three months. As the member is probably aware, we pass a regulation every three months to ensure that is passed on to the senior citizens. If we didn't, what would happen is the $38.88 you were referring to a little earlier would be reduced. So we must pass a regulation increasing our guaranteed annual income so that they get full benefit of whatever that increase is.

The Gains program itself is not tied to the cost of living index.

Mr. B. Newman: That's my whole argument.

Hon. Mr. Maeck: When we say $38.88 per month, we are talking about a single person.

Mr. B. Newman: I am referring to the maximum.

Hon. Mr. Maeck: The maximum is $53.65.

Mr. B. Newman: For a single person?

Hon. Mr. Maeck: Okay, $53.65 for married spouses. It's an intriguing thought, but as the member I am sure is aware we have not in this government, to the best of my knowledge, indexed to the cost of living any program I know of. I think if we do we really help to feed inflation. We have to be fair and try to make sure our seniors get a proper amount, and I think we have. They are now partially tied to an index through the guaranteed income supplement, which is passed on quarterly, so their income increases every three months. It has never been delayed. It has always been passed directly on.

I think the member will recall the $20-a-month increase that was a sort of special increase. It was not tied to the cost of living that was also passed on by us, and as a matter of fact we passed it on also to those whom we support fully in Gains, those ones that have been dropped by the federal government because of the change in the citizenship rules and whom we carried on with. I think it cost the province something like $600,000 extra to extend that $20 to those ones who are totally our responsibility within the Gains program.

I don't want the members to think that we are unreceptive to assisting, but we have not, to the best of my knowledge, tied any of our programs to the cost of living by indexing. I don't see this government moving in that direction at this time.

Mr. B. Newman: I think the minister is in error. There is one program—maybe not his program, but a government program—that may not be indexed but provides an eight per cent increase annually, so the next year's benefits are eight per cent more than they are this year and I assume the following year they will be another eight per cent more. So there is a precedent set already that is being practised by his government.

But on the $38.88 which is the amount that—and I am referring to the single individual, I know it is $53.65 for the couple; why doesn't the minister consider, if not indexing it to the cost of living, increasing it on an annual basis, maybe not necessarily to the cost of living?

A senior citizen having to live today on $364.87, unless he is in geared-to-income housing, government housing, has one heck of a time getting by. I can accept that the couple can get by a little easier on a total of $708 or $709; it is double the amount for a married couple; but for a single citizen, $364.87 is extremely hard.

Geared-to-income housing, government housing, does enable them to get a break, but think of the numbers that can't get into government geared-to-income housing who must go into the commercial market to get housing. They still have to live. They don't have their energy supplemented as would

some who are living in geared-to-income housing. The senior citizen who doesn't have those advantages has it extremely difficult at $364.87, unless he is being assisted by members of his family and/or is getting assistance from some organization or even Community and Social Services.

The minister is not considering substantially increasing that $38.88, is he?

Hon. Mr. Maeck: We review these things from time to time. It is not under review at the present time. I can certainly make sure it does go under review again, to have a look at it. It is again a case where it wouldn't be a decision made by the Minister of Revenue alone, it would be the Treasurer; but we can make recommendations to the Treasurer and certainly I will have my staff review it again.

Mr. B. Newman: The reason I raise it this year is because of the tremendous increases these seniors are going to be confronted with in energy costs.

There is no use telling the honourable minister. He understands it all, as do his officials. But I certainly would appreciate it if they bent an ear to the advantage of the senior citizen in this instance, as I did with the handicapped earlier.

Mr. Charlton: I would like to jump back for just a few moments, if we could, to the property tax credit. In his statement my colleague, the member for Welland-Thorold (Mr. Swart), referred to the 1978 budget and the announcement in that budget by Mr. McKeough that the new proposed formula for the property tax credit was a rather significant formula in terms of enriching the property tax credit in this province, especially for seniors and low-income people. The hitch was that new formula would not be put in place until we had gone to full market-value assessment.

Now we have postponed indefinitely the implementation of full market-value assessment. The Ministry of Revenue is presently engaged in what is obviously going to be at least a two-year, perhaps a three-year program of equalizing assessments under section 86. This means it is very unlikely we are going to see market value for four or perhaps five years, if ever—at least for a fairly lengthy period.

Have there been any discussions going on between yourself and the Treasurer and whoever else might be involved—I guess perhaps the Minister of Intergovernmental Affairs (Mr. Wells)—about implementing that proposed formula without market value, or perhaps at least enriching the present formula somewhat, going part way in the absence of market value?

Hon. Mr. Maeck: In the discussion dealing with the particular item in the 1978 budget, as I'm sure the member is very much aware, there are ongoing discussions regarding the results of the equalization factors. That has to do with grants to municipalities, which in turn has to do with the amount of taxes people pay.

To be specific, no, we have not been discussing that. I think it was $75 million or something which was going to be put in at that time, in the 1978 budget; I think that's the item the member is referring to, subject to property tax reform. We have not been discussing that, but we have been discussing the implementation of equalization factors for 1981.

As the member knows, we have a new program that only deals with 1980. That's a matter that has to be discussed and decided upon, because obviously it could be costly. I don't know what it will be. It depends on how it's done. Those finance doors are being left open until a decision is taken on that particular matter. I don't anticipate we'll be talking about other items until after a decision is taken on that.

Mr. Charlton: All right. I can understand what you are saying. You made a commitment in your response to the member for Welland-Thorold (Mr. Swart) to at least have a look at the things which he brought to your attention.

I can't vouch for the exact accuracy of his figures, but I think it should be obvious to you that for the last several years, each year in succession the amount of the property tax credit any one individual has received as a percentage of their total taxes was reduced.

I recall, for example, during the 1975 election when seniors in the city of Hamilton—and I don't know how true this was here in Metro where taxes are somewhat higher—were getting fairly close to all of their property taxes back; at least that was the case for seniors who had no taxable income, who were just getting the straight OAS/GIS Gains cheque. Now they're getting approximately half or a little better than half back. There has been a substantial change and I would like the minister to look and think very seriously about what it's going to mean if we let that continue for another four or five years.

In effect, the good social-economic impact which the property tax credit initially had for seniors, people on fixed incomes and low incomes, will have disappeared virtually altogether. I think it's time, this year, you took a

serious look, in conjunction with the Treasurer, at some kind of move to up the property tax credit.

Hon. Mr. Maeck: We've already made the commitment to the member for Welland-Thorold that we would look at that, and I will look at it.

Mr. Worton: Mr. Chairman, in relation to the earlier discussion which took place with the member from Windsor, there's a point that concerns me regarding the Gains program as it applies to a situation where a husband would be 68 years old and the wife would be 58 years old. She's not entitled to the spouse allowance. I'm thinking of a particular case where the lady is disabled due to a polio attack which happened back in the 1940s. I think her last cheque last month was somewhere in the neighbourhood of $16 because of the adjustment in the last quarter of the old-age security pension. After I did some quick calculating I feel that this year, with the increase in the Canada Pension and another adjustment in the old-age security allowance, this woman in particular is going to be without any provincial benefits whatsoever.

[5:30]

I realize there is a combination of Community and Social Services and your ministry, but it seems to me that to cut them off is going beyond what we feel would meet the human needs of the family. It is not only a matter of losing income, there is also the fact that the individual loses the drug benefits she is now entitled to, even though she gets a small pension.

I have to agree with the member for Windsor-Walkerville (Mr. B. Newman) that the whole system of the guaranteed annual income supplement program in conjunction with the benefits offered by the Ministry of Community and Social Services should be looked at. It is not every case, but where persons were married some years ago, or in present-day marriages where only one of the parties has reached pension age, I think it does present a hardship in a number of cases where this takes place.

Knowing your understanding of people in your area, I think it might be necessary to look into this to see if a more equitable adjustment can be made in providing assistance for these people.

Hon. Mr. Maeck: Mr. Chairman, in the example the member has used, where the wife is 58, she would be dealing with the Ministry of Community and Social Services and not with my ministry. She would have to be 65 to come under the Gains program.

Mr. Worton: Her husband is 68 years of age.

Hon. Mr. Maeck: Yes, so he would be receiving Gains and would be dealing with my ministry. But his wife would be dealing with the Ministry of Community and Social Services.

I can understand what the member is saying. I have run into those kinds of situations myself and it is sometimes very difficult.

I would be happy to pass his concerns on to the Minister of Community and Social Services (Mr. Norton); and perhaps our staff, when they are looking at the overall Gains A program, can take a look at that as well.

Vote 803 agreed to.

On vote 804, municipal assessment program; item 1, administration:

Mr. Charlton: I have a number of things I would like to raise under this vote, but today I just have a few questions in terms of direction.

The minister and I have discussed a number of times the section 86 program. On the last occasion I spoke to the minister about this he was looking at 107 municipalities which had applied to have a look at section 86 for next year. The discussion revolved around how many of those municipalities would opt for section 86 once they had seen the data.

I understand meetings have been going on. I would like to know from the minister how they are going and whether the municipalities are accepting section 86 or dropping their requests.

Hon. Mr. Maeck: The impact studies of section 86 have now been presented, I think, to pretty well all of those municipalities that had requested it; that is, the final stages. They have the right after seeing the impact study to decide whether or not they want to proceed with the section 86 program.

You are right, there were 107 municipalities which applied for the impact study. I think as of this morning there were 14 municipalities that had passed resolutions asking us to proceed with section 86. Those municipalities were given roughly two weeks to respond. That two-week period is not up at this point, but I don't think there are that many days left to go. We should have results coming in fairly fast in these next few days. We gave them two weeks and we weren't too stringent with that either. As the member knows, with the procedure we have to go through in order to get the assessment roll

out in time, there is a timetable we must keep.

At the present moment, as of this morning, there were 15 municipalities that we'll be proceeding with that have requested the implementation of section 86.

Mr. Charlton: Perhaps the minister can get just a little bit more specific. He has had 15 municipalities that have requested it. Has he had any councils inform him, as a result of studying the impact study they've decided not to go?

Hon. Mr. Maeck: That wasn't the way the system was set up. The system was set up in this way. They got the impact study. If they want us to implement section 86, they must pass a resolution and get back to us within two weeks. If two weeks transpire and they don't get back to us, it's obvious they are not prepared to proceed with a section 86 program.

Mr. Charlton: You have no indications at this point of any that may have already decided not to go? Perhaps the minister could clarify with his staff just when that time will run out.

Hon. Mr. Maeck: Approximately at the end of next week, I am told. There's some time to go yet.

Mr. Charlton: Perhaps the minister could get some kind of an indication from his staff. I think he will recall in the discussions we had a few weeks ago he expressed some concerns about how many of those 107 municipalities might go. Does he have any kind of an indication or feel from his staff, who have met with these municipalities and presented the impact studies, how many are likely to go?

Hon. Mr. Maeck: It's a guesstimate, but the staff seems to feel it could be as high as 50 per cent or maybe higher. There's no way of knowing until they actually pass the resolution requesting it. It really isn't fair to put a figure on it because we really don't know. While the municipal treasurer or someone else may think it's a great thing, when it gets to the full council there may be a majority that says it doesn't want to do it. It's very difficult to get a handle on that.

Mr. Charlton: I guess it's not going to be very long before we know anyway how many of those 107 will go. The reason I raised the whole thing is, as the minister will recall, when he announced the section 86 program last year, we had a number of debates in the House that referred to that particular program and its voluntary nature. I guess we probably got into that discussion a bit as well last fall on the postponement bill. It seems to me, I don't have an exact number, there are over 800 municipalities in this province, but if I recall correctly we equalized 12 last year.

Hon. Mr. Maeck: Fourteen.

Mr. Charlton: We had an additional 107 apply this year to have a look. The minister is saying to us we could have as many as half of them drop out. We don't know, but we will very shortly. Any way you look at it, we're still going to have a fairly substantial number, in the neighbourhood of 700 municipalities in this province, that have not gone.

Part of the criticism we raised with the minister last year was the voluntary nature of the program. The minister had expressed at that time the feeling he could get the vast majority of this province equalized under section 86 in two years. It seems to us that's not likely to happen now. Through a voluntary program, the minister may get the entire province, or virtually the entire province, equalized in four or five years at the rate it's going.

That doesn't seem acceptable. We don't feel section 86 is the direction the government should be going. We admit there are some benefits and some improvements involved in section 86; however, if we've got a section 86 program which is totally voluntary and not likely to reach all corners of this province for some years to come, what are you going to propose to do if half drop out this year and you don't get a lot of applications next year and so on? At what point is your ministry going to take this whole thing in hand and see that it happens across the province? At what point are you going to say, "Okay, the voluntary nature of this program is not producing what we wanted across the province"?

Hon. Mr. Maeck: It's a very difficult question to answer. We don't know how well the voluntary program is going to proceed. It's really a hypothetical question at this time for me to answer as to when we would be prepared to go across the province.

The member talked about 800 and some odd municipalities. That's true, but remember that between 1970 and 1975, 250 of them were reassessed. Those municipalities aren't too badly off as far as assessment is concerned compared to some of the other areas of the province.

I am more or less content to proceed on the basis we're proceeding because I know the municipalities that have the greatest inequities and the greatest problems are the ones that are going to request the section 86 program.

The ones that have a relevantly level assessment across the municipality are not going to be in a hurry to ask for section 86.

I was reading in the paper this morning that the city of Burlington had started movements toward the section 86 program. They've had a look, not at the impact study but the first information that we produced for a municipality; they're satisfied there aren't that many inequities so they've decided not to go. My staff informs me there aren't that many inequities in the city of Burlington. I'm not saying there aren't some but there aren't as many glaring ones as there are in the Cambridges of this world, or a few other municipalities.

So I'm saying the section 86 program, on a voluntary basis, will take place in those municipalities that are having a great amount of problems with their assessment, losing appeals and with inequities within the classes and so on. I think those requests are going to come on a basis whereby they will ask for it when they feel they need it. I don't think there is too much wrong with that kind of a program.

Certainly it would be helpful to my ministry if every municipality in the province wanted to have a section 86 program, but I think the member realizes that even if everyone agreed, or if I brought in a policy that said everybody is going to be reassessed under section 86, I don't think the ministry personnel could do it all within two years anyway. If I said that last year it was probably before we had an opportunity to see how much work is really involved in the section 86 program in each municipality. Even if there was a policy whereby we said we were going to do every municipality whether they wanted it or not, I don't think the staff I have could complete the program in two years.

Mr. Charlton: A number of things seem to be changing here in attitude and approach. I understand the point the minister made about a number of municipalities. I have forgotten the number the minister mentioned, 250 between 1970 and 1975.

[5:45]

On the other hand, though, in the last few months I have talked to municipal politicians from all over southern Ontario and even a number that have been referred to me by several of our members from northern Ontario. It would seem to me that in the first year, last year, it was true that the municipalities that were applying were those with the greatest inequities. I am not sure because I don't have information on all of the councils in this province, but I have a sense that the trend will be somewhat the opposite this year; that the municipalities with the greatest inequities are going to be the ones that back away once they see the impact studies. Some of those that don't see any great political problems in the impact studies because there aren't any excessive inequities may opt for the section 86 equalization because they want to see those who have been paying slightly too much get a reduction and those who are somewhat underassessed getting an increase and equalizing the whole thing; that is theoretically what the whole process is supposed to be about as long as it doesn't get too offensive in anybody's ward, or whatever the case happens to be.

My sense from talking to people in Haldimand and a few from Burlington, and a number from the north and from other areas in southern Ontario, is that you are likely to see quite the opposite this year in terms of those which choose to go; and that, in itself, will be counter to what you set out to do. It is going to shift the responsibility to find a solution to those inequities back to you, which is where it started out and has been ever since 1970.

The solution may very well be for you to impose a section 86 assessment. You could be right, I am not sure; I haven't been in any of the assessment offices for any of the section 86 programs that have been done in the last few years. I don't have a sense in terms of the amount of overall work load. You may be right that your present staff in the assessment division couldn't handle the whole province in two years, but if, for example you were to find that this year out of the 107 that have applied 50 per cent of them drop out and you are not getting the applications for next year you should be getting, there would be nothing wrong with you imposing section 86 and priorizing the way you handle it, starting with the worst and working to the best. I don't see any serious problem, if you can't handle them all in one year, of at least dealing with the ones the politicians have been afraid to deal with.

Of course we are politicians too, aren't we, and I suppose that creates a problem. I think you know what I am getting at.

Hon. Mr. Maeck: It is a little premature to make a commitment as to what will happen. You could very well be right, it could be that those which accept the section 86 program may be the ones which have not the most serious problems. We will know that by the time this exercise is over this year. But it is premature for me to make a decision as to whether I would decide to implement section 86 with or without the

municipalities' consent. I suspect at this point in time I would not do something like that. However, that remains to be seen; and as I said before it is a sort of hypothetical question until we know which municipalities really go ahead with section 86 and which ones don't. We won't know that for another week or two until the results come in from the impact studies that have been released.

Mr. Charlton: I suppose, Mr. Minister, the main reason I got into all that really brings up the main point of the whole discussion. I am trying to get a sense of where we are heading with property tax reform, because I don't have one right now. I don't think anybody in this House does, except perhaps you—I am not even sure that you do, or the Treasurer, or the Minister of Intergovernmental Affairs. I am trying to get a sense of where we are heading, because we don't have it on this side at least and I just have a feeling there is no one on that side of the House who really has either.

We have shelved market value; albeit it is said it is shelved temporarily, but indefinitely temporarily—whatever. We haven't given up on it; you stated that quite clearly in response to my opening statement.

Who is doing what? What discussions are going on right now between yourself and your staff in the assessment division and the Treasurer and the Minister of Intergovernmental Affairs? What is happening right now in finding the ways that have excluded us in implementing the bigger package? Is there anything going on right now or has everybody shelved it and said, "Let's let our heads clear for a couple of years and maybe we will be able to come up with something fresh once we have forgotten about it"?

I am just trying to get a sense of what direction we are heading in the whole property tax area. I am trying to get a sense of whether or not anything is happening, whether there are any intentions there, or whether we are just trying to forget about it for a while.

Hon. Mr. Maeck: We are not trying to forget about it because I am sure if anyone in this House realizes it the member for Hamilton Mountain realizes the introduction of the new equalization factors has put us in a position where we must come up with some sort of a program. What that program is going to be at this time I can't tell the member.

We developed a temporary program, as you are aware—the five per cent apportionment thing and the 10 per cent grant thing developed by the Ministry of Intergovernmental Affairs and Ministry of Education, and so on. That is for 1980. We must come up with some solutions to these problems as quickly as possible before 1981. The municipalities are entitled to know what they can expect in the future.

I am sure the member reads the newspapers as well as I do. The municipalities are very upset with this government because we have only announced the program for 1980. They don't know where they are going to move beyond that. They don't know what is going to happen. They don't know what the government has in store for them as far as grants, apportionments or anything else is concerned.

So there are ongoing meetings, particularly in the ministries of Treasury and Intergovernmental Affairs, to deal with the problem we are going to have to face, and it has to be faced relatively shortly.

My own staff will also be working on that. I can't tell the member what direction it is going to take at this point because I don't know the direction it is going to take. We are discussing various ways and means. There are several options open. What the final option is going to be it is too early for me to tell the member. All I can tell him is that various ministries are working on it, probaby right now—well not at this time of night, it's five minutes to six, but they are working on it.

Mr. Charlton: Mr. Minister, I do read the newspapers and I am here discussing this with you; and I was in the Intergovernmental Affairs estimates and discussed it with the Minister of Intergovernmental Affairs. Next week I will be in the Treasury estimates to discuss it with the Treasurer and I will know for sure by then—

Mr. Ruston: Don't count on it.

Mr. Charlton: —if there is any sense of direction over there. You don't have it—

Mr. Ruston: Don't count on that.

Mr. Charlton: —the Minister of Intergovernmental Affairs doesn't have it. I suppose next week I am going to find out whether or not the Treasurer has any real sense of where we are going.

What I am really afraid of, because I do read the papers and I have talked to quite a number of municipal people—I haven't talked to all of them in the province, but I have talked to quite a few—and what I am really afraid of is, if there is no real sense of direction, if what is really going on over there is how the hell do we get ourselves out of this mess, we will end up next year announcing another one-year program and the following year announcing another one-

year program and phasing in a shift over five or eight or whatever years; we'll never get set on a clear course to property tax reform again. That is the feeling I am getting and that is why I am raising the whole thing.

I think on Friday I would like to get into a somewhat extended discussion of some of these things and some of the aspects of what's happened in the last several years and where, in some respects, I think we should be going. Obviously I don't have time to get into all of that this evening. I am just getting the sense that there isn't any real direction at this point; in fact although the Minister of Intergovernmental Affairs stated quite clearly the government had to find some solutions and this was only a one-year program, he said the same thing; "I have absolutely no idea what those solutions will be, not even where to go and look for them." I am getting the same response from you, and that just frightens me somewhat.

Hon. Mr. Maeck: I didn't say that.

Mr. Charlton: There doesn't seem to be anybody over there who really knows where we have to go to look for the answers. It concerns me somewhat, because I've seen it happen with the reassessment program. When we first postponed it in 1974 it was a temporary postponement for two years, and ever since we've had a one-year postponement every year. We really don't seem to have come any closer to finding the solutions. One can't really blame me for getting the same kind of gut queasiness about what is happening now with section 86 programs, and with the equalization factors and the one-year program to try and alleviate the problems there. There have been no real positive statements on the part of the government that they're going to be making an announcement. They aren't saying, "We know where we are going, we're going to be making an announcement in six months or eight months, as soon as we have the details worked out, but we are going to be making an announcement about what's going to happen thereafter." We are not getting that kind of positive sense at all. I don't think I can be blamed for being somewhat sceptical at this point in terms of what is actually happening in relation to what we set out to do 10 years ago.

Hon. Mr. Maeck: Mr. Chairman. I didn't indicate to the member for Hamilton Mountain that I didn't know where we were going. What I said was there were several avenues for us to explore. Whether I said it in those exact words or not I am not sure, but that was the point I was trying to make. They are being explored at this particular point in time. We realize a program has to be in place, and soon, so municipalities can plan for 1981. I think they have a right to know what direction this government is heading as far as grants are concerned.

On motion by Hon. Mr. Maeck, the committee of supply reported certain resolutions.

The House adjourned at 6 p.m.

APPENDIX

(See page 4597)

ANSWERS TO QUESTIONS ON NOTICE PAPER

FUNDING OF HOSPITALS

328. Mr. Breaugh: Would the Minister of Health indicate, for the last three fiscal years, which hospitals have appealed for additional funds; what were the reasons for such appeals; how much was requested; how long did it take the ministry to consider the appeal; and how much did the ministry give in each specific case? (Tabled October 25, 1979.)

Hon. Mr. Timbrell: Hospital appeals for additional funds include: deficits as a result of a shortfall in operating costs; unpredictable growth in programs such as renal dialysis, pacemaker, hyperalimentation and other life support programs; as well as general areas of impact such as negotiated wage settlements. The time required to verify, confirm and develop appropriate responses varies according to the complexity of each appeal and the information provided by the hospital. Each appeal is addressed on an individual basis.

The information requested is maintained on an individual basis and kept with each hospital's budget information. In order to answer this question it would be necessary to manually search each hospital's file for the years indicated, to locate the components of the appeal and develop a summary compilation of this information. This data is not maintained routinely in a compiled form and therefore would require considerable and prohibitive man-hours to collect. It is therefore not possible in these circumstances to reply in the format requested without additional staff and funds.

Total payments made to individual hospitals are listed annually in public accounts, volume three.

OMB HEARINGS

346. Mr. Isaacs: How many applications against decisions of the Ontario Municipal Board resulted in court hearings in each of the years 1977 and 1978? What was the nature of each application? In how many of these cases did the court rule in favour of the applicant and against the Ontario Municipal Board? (Tabled November 5, 1979.)

Hon. Mr. McMurtry: Neither the Ontario Municipal Board nor the Ministry of the Attorney General keeps a record of all applications against decisions of the Ontario Municipal Board which result in court hearings. The Ministry of the Attorney General does have copies of all written decisions of the divisional court involving the Ontario Municipal Board. Attached hereto are copies of the 1977 and 1978 decisions. (See sessional paper 257.)

The attached decisions would constitute the majority of court decisions affecting the Ontario Municipal Board.

Court decisions on which the ministry does not have any information would be cases which may have been heard by a single judge or matters which were commenced in 1977 or 1978 but not completed, or matters in which there were no written reasons given. It should be noted that in the majority of court cases involving the Ontario Municipal Board, the board is not represented by counsel.

HANDICAPPED CHILDREN

348. Mr. McClellan: Will the Minister of Community and Social Services inform the House: 1. How many children under 18 are resident in schedule I facilities; how many in schedule II facilities? How many children in, (a) schedule I facilities, and (b) schedule II facilities, are deaf, blind, or deaf-blind; and of these how many children in, (a) schedule I, and (b) schedule II facilities, have been registered by the CNIB? 2. How many children in, (a) schedule I and, (b) schedule II facilities, are being provided special programs for the blind, deaf, or deaf-blind? 3. How many professional staff are there, in addition to nurses, in each of the schedule II facilities; what is their area of expertise? How many staff are there in each schedule II facility who are qualified to work with blind, deaf and deaf-blind residents? 4. How many of the blind, deaf or deaf-blind children in, (a) schedule I facilities, and (b) schedule II facilities, are capable of benefiting from specialized community programs, for example, at Brantford, Milton? 5. How many staff consultants in programs for blind, deaf or deaf-blind children are employed by the ministry? On how many and which specific occasions have these consultants visited schedule II facilities in the past year to advise on and/or monitor the progress of children in special programs? 6. Will the ministry identify the schedule II facilities with special programs for multi-sensory handicapped? How many schedule II facilities are planning to introduce such programs in 1980? (Tabled November 5, 1979.)

Hon. Mr. Norton: 1. As at March 31, 1979 there were 1,074 children in schedule I facilities and 657 in schedule II facilities.

In schedule I facilities there are 18 deaf, 27 blind and eight multisensory handicapped children. In schedule II facilities there are 10 deaf, 64 blind and 12 multisensory handicapped children. These figures include only those children with severe or profound hearing loss and children with no vision or legally blind.

While the number of clients registered with the CNIB is growing steadily, we do not have statistics showing the number currently registered. Normally, the CNIB only register blind persons when the application is signed by an ophthalmologist. Recently, we have been successful in obtaining registration upon application by qualified professionals other than ophthalmologists. Registration with the CNIB does provide access for the individual to services of the CNIB, however, all CNIB services are not fully available in all areas of the province in which facilities are located. Therefore, registration with CNIB does not guarantee additional services/benefits for the individual.

2. Special units for blind, deaf and deaf-blind children have not been established in schedule II facilities as yet. However, sensory stimulation programs do exist; blind and deaf children are attending special education classes; and in some cases hearing-impaired children have been placed in special approved homes where their unique needs are being met.

In schedule I facilities eight special units for deaf, blind and deaf-blind residents have been established and two more, for a total of 10, will be operational by the fiscal year end. One of the new units will be for children only, accommodating 16.

The existing eight programs are essentially oriented to the adult population, although there are four sensory-impaired children in the special units at Southwestern Regional Centre and nine children in the special units at Huronia Regional Centre, and one visually-impaired child in the special unit at Rideau Regional Centre. In addition, CPRI has a special day program for six disturbed, hearing-impaired children.

There are several other programs in schedule I facilities that provide for the unique needs of the blind, deaf and deaf-blind clients which are not designated as special programs. At Huronia Regional Centre there is a program for deaf adults, as well as one for blind adults. At Prince Edward Heights, Picton, there is a house program for 34 deaf adults. At Rideau Regional Centre there is a program for blind adults that includes three children and a communications training centre for children that includes four hearing-impaired clients.

These various programs do not represent the full extent of services to deaf, blind and deaf-blind (multisensory handicapped) clients in facilities. There are available a wide variety of professional and paraprofessional staff whose knowledge and skills are of direct benefit to the sensory handicapped residents. They represent such services as speech pathology, audiology, orientation and mobility, occupational therapy, special education, recreation and vocational services.

While it is extremely important to provide programs and services that meet special needs, it is also important that residents be integrated as much as possible into regular programs and activities of the facilities, thus equipping them to the fullest extent possible to participate in conventional community/home activities.

3. There are professional staff in each of the schedule II facilities as follows: Bethesda Home, 20; Brantwood, 12; Christopher Robin Home for Children, 7; Cochrane-Timiskaming Resource Centre, 18; Walter P. Hogarth Memorial Hospital, 11; Oaklands Regional Centre, 29; Ongwanada Hospital, 35; Plainfield Children's Home, 4; Rygiel Home, 12; and Sunbeam Home, 10.

In addition to these 158 developmental program staff there are over 800 direct care staff, made up of nurses and residential counsellors, who provide programs for the residents as well as meeting their personal care and health needs.

The professional staff represents such diverse areas of expertise as communications, kinesiology, occupational therapy, physiotherapy, psychology, recreation, school teachers (aids), social work, speech therapy and vocational services.

In addition, increasing numbers of children in schedule II facilities are attending special education classes in community schools or in classes held in the facility and funded through local school boards and the Ministry of Education.

It is difficult to answer the question: How many staff are there in each schedule II facility who are qualified to work with the blind, deaf and deaf-blind residents? Depending upon the definition of "qualified," all or none of the staff may be qualified. All of the staff are oriented to the needs of the mentally retarded and all are aware of the

additional sensory handicap of blindness or hearing loss. In addition, special training has been provided to limited numbers of staff through CNIB, the Blissymbolics Communications Institute and others. Literature on the subject is scarce. Consequently, a major project was undertaken to prepare and make widely available to both facilities and community agencies a publication titled Their Special Needs (August 1977), which is an action guide to working with blind residents of mental retardation facilities. The ministry has received requests for this publication from North America and Europe. It includes such topics as sensory awareness, hand development, physical activity, social behaviour, hints for self care, and preparation for community life. A companion publication published in March 1979, titled Perspectives and Prospects in the Education of the World's Blind Children has been distributed to facilities and community agencies to assist them in their work as well. As a further educational aid a two-day conference of staff working with the blind and deaf in facilities and in the community has been an annual event for the past four years.

4. While this subject is at present under review, we do know there are significant numbers ready for community placements as soon as the highly specialized services required are available.

5. At present the facility services division of the ministry employs two consultants, one for the visually impaired and one for the hearing impaired. During the past year the focus of attention of these individuals has been to assist in the establishment of the special units and programs in the schedule I facilities and involvement with individual clients in special cases where advice and assistance has been required. It is anticipated that the consultants will have visited all schedule II facilities by the end of the fiscal year. The consultants have also aided the facilities by facilitating contact with agencies such as the W. Ross Macdonald School in Brantford. The consultants also take a major responsibility for the organization of the annual inter-facility conference of people from facilities and the community working with the sensory handicapped, mentally retarded to share program information and learn from the experience of others.

6. As yet no special units have been established in schedule II facilities. The ministry initially set out to establish 10 special units for the blind, deaf and deaf-blind in schedule I facilities. By March 1980, all 10 units should be operational. Alternately, we have been looking at a mechanism whereby residents now in schedule II facilities who can benefit from the specialized services of these units may be transferred as opportunities occur.

It should be noted that children in schedule II facilities are not being deprived of programs. Many are involved in sensory stimulation programs (Rygiel Home, Hamilton). Others are in approved homes in the community that are equipped to meet their special needs (Oaklands Regional Centre and Cochrane-Timiskaming Resource Centre). Many others attend school or day care. For many, medical and personal care needs are of first priority and attention to these needs requires a great deal of the time available.

This particular area is, as well, under full review at the present time and when that is completed we will be in a better position to know what additional steps must be taken in order to ensure that we are doing our best to fully meet the needs of these clients with special needs, including the establishment of special units.

There are a number of additional initiatives that have been taken by the facilities to meet the special needs of deaf, blind and deaf-blind residents such as expanded and intensified vision and hearing screening services, involving the school of optometry at the University of Waterloo and the mobile hearing clinic of The Hospital for Sick Children; expanded participation at the Lake Joseph Holiday Centre and in the summer intervention program for children, both operated by the CNIB. My ministry's commitment to meet the special needs of these children will continue.

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Ontario

No. 112

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Tuesday, November 20, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, NOVEMBER 20, 1979

The House met at 2 p.m.

Prayers.

HANSARD OPERATIONS

Mr. Martel: Mr. Speaker, I want to rise on a point of order. I want to rise to object to the actions of the Board of Internal Economy last evening. You will recall that I voted against the two motions which were presented, one to do away with the interjectionists' track, which has been in operation since 1976, and a motion to put the interjectionists back on the floor.

We are not referring to what formerly was here by that action last night, we are going much beyond what was here. We are now turning off the mikes, which will prevent all interjections, basically, from being picked up. Interjections by someone on this side of the House very seldom are picked up by a speaker on the government side of the House. Certainly it can't be anticipated that the interjectionists will pick up all of the remarks.

I realize the concern of members with respect to private conversations. These private conversations, however, do not appear in Hansard because Hansard records only those things which are part of the debate that is going on in the House. The interjections, therefore, have to be relevant with the proceedings. The rest of the material, as I understand it, is ignored, and in most instances the interjections are inaudible anyway. If you do pick them up, you usually pick up a short clip.

All of this concern with respect to interjections came as a result of the interjections from the member for Timiskaming (Mr. Havrot). The Speaker that evening didn't hear those interjections. It was my colleague, the member for Bellwoods (Mr. McClellan) and several other of my colleagues who picked them up. The Speaker could not hear them.

Hon. Mr. Wells: A point of order, Mr. Speaker.

Mr. Speaker: We are already on a point of order. I will hear what you have to say.

Hon. Mr. Wells: I just want to object to him bringing this matter before the House. It has nothing to do with this House.

Mr. Speaker: The honourable member may continue.

Mr. Martel: Mr. Speaker, the interjectionist in my opinion could never have picked up all the invective which was being hurled around that night. In fact, Mr. Speaker, the next day you were forced to make a decision regarding this matter. To the press, the member for Timiskaming indicated he had called the late show "the gong show." It was only by your listening to the tape, Mr. Speaker, that there was audible proof to you that the member for Timiskaming called it "the Wop show." Without those tapes, Mr. Speaker, you would not have been in a position to make that decision.

I suppose the upshot of all of this is that it seems that rather than deal with the invective we are going to cut off the source. What is more aggravating than anything else, I guess, is the fact this matter is before the members' services committee at the present time. I don't know why the government was so anxious to get rid of it. This Thursday the members' services committee—and there are people on that committee who were at that board meeting last night who knew it—was going to look at three items at least: How many interjections do we want picked up? Do we want the girls back in the Legislature?

Applause.

Mr. Cassidy: That's a vote of confidence.

Mr. Martel: Mr. Speaker, I don't mind giving a vote of confidence to our interjectionists, but that isn't what I am here for, and I hope the members aren't.

The other point was that the members' services committee was going to test to determine at what level they could pick up private conversations. So anxious was the government to get rid of being able to pick that up that they flew in the face of a committee report and last night, at the Board of Internal Economy where they outnumber the opposition four to two, they moved to deal with it immediately and not even await a report.

I would suggest that this matter not only should be considered by the members' services committee, but also I think it should go to the procedural affairs committee as well. Until those recommendations are presented to the board, or better still to this Legisla-

ture where all members could speak to this, I don't think it's a decision that should be made by the board. It should come back to this House and this House should decide on how that would be handled, not a Tory-dominated Board of Internal Economy. I ask that you consider that, Mr. Speaker.

Hon. Mr. Wells: First of all, I find it very interesting that the House leader for the New Democratic Party has decided to make his speech here, which he did not make at the members' services committee.

Mr. Martel: I don't think you should mislead the House.

Mr. Speaker: Order, order.

Hon. Mr. Wells: I am not going to mislead the House. We knew full well that the member was opposed to our motion. But the general tenor of the remarks that were made now did not come out at the meeting. Under your chairmanship, Mr. Speaker, the Board of Internal Economy discussed what has certainly been a very pressing matter for many members of this House.

I think I speak for most of the members of this House when I say we were rather shocked to learn that all these microphones, whether the light was on or not, as it is now on on my microphone, were kept on at low gain all the time in order to assist in picking up interjections. Of course as members know, the worry was that conversations which should have been privileged and private, between various members sitting in their seats, ran the risk of being picked up by these microphones.

I don't think any of us has any hesitation in saying that we believe that honest interjections, whether they hurt or harm us, should be included in the Hansard report of discussions in this House; I think that is quite proper. However, I think we can reach the point where there are too many interjections put in. After all, the work of this House is first and foremost to have the debate, and the words recorded of that person who has the floor.

I think of the hazards—and believe me, Mr. Speaker, we hear much today about our worries about the electronic age and the electronic devices encroaching upon our privacy; we all know we may be standing in a little group with someone taking our picture and a microphone miles away.

I just say it seemed to a number of us in this House, after we had a full discussion over the past few weeks—and certainly the caucus of which I am a member has fully discussed this—we felt, as I put forward and my colleagues put forward, that these microphones should be disconnected and that the interjectionists on the floor of this House could perform the services they have done for many years in equally as good a manner without the chance, albeit a small chance, of intruding upon the private conversations of the members of this House. I think it's incumbent upon us not to allow that to happen.

I think the member for Sudbury East is just grandstanding on an issue which I would think the members of the New Democratic Party, above all, should be against, namely, some kind of an electronic surveillance of the members of this House.

I want to say on the point of order that I feel, and this whole party feels, that the decision taken by the Board of Internal Economy was a right one. We welcome the return of the interjectionists to this House and we believe these microphones should stay disconnected unless the light comes on and the person who is talking understands and knows that his microphone is live and is picking up his words.

Mrs. Campbell: Mr. Speaker, I really would like the direction of this House, because as a result of the actions taken last night as reported to me I withdrew from the agenda of the members' services committee the further discussion of the Hansard matter since it seemed to me the matter had been determined last night. It is a fact that it was on our agenda for next Thursday, but it seemed to me to bring Mr. Brannan back and to go through all this exercise was somewhat irrelevant in the light of that decision. So I would welcome some direction from the House if we are to continue with this debate.

Mr. MacDonald: Mr. Speaker, may I ask you a question? Is it within the jurisdiction of the Board of Internal Economy to make a decision with regard to rules of procedure in this House?

Mr. Speaker: It's not a matter of procedure. It's what kind of devices we are going to use to best carry on the business of this House. It is the responsibility, ultimately, of the Speaker to make such a decision on the advice of the editor of debates. I did that in good faith on the basis of information that was available to me before this session resumed.

With regard to the point of order raised by the member for Sudbury East, I will take it into consideration and report at a later date.

VISITORS

Mr. S. Smith: Mr. Speaker, I want to bring to your attention and to the attention of the members of the House the presence in the gallery under the press gallery of the former member for Kent-Elgin, Mr. Jack Spence.

Mr. MacDonald: Mr. Speaker, in the same context, could I draw to your attention and the members of the House that we have six guests in the gallery from the real north, the Yukon? Among them is Tony Penikett, a member of the territorial council of an area that is now assuming responsible government and heading towards provincial status.

[2:15]

NEWSPAPER COMMENT

Hon. Mr. Gregory: Mr. Speaker, I rise on a point of personal privilege to take issue with a gratuitous remark published in today's Globe and Mail.

As politicians, I believe we grow somewhat thick-skinned over published and broadcast comments which affect us personally, sometimes in an unfortunate and often inaccurate way. However, in today's Globe and Mail, columnist Hugh Winsor brings discredit to all of the decent and law-abiding citizens of Mississauga when he casts aspirations on that great municipality—

Mr. S. Smith: Aspirations?

Hon. Mr. Gregory: Aspersions; those too.

Mr. Makarchuk: Who inspired the aspirations?

Hon. Mr. Gregory: Mississaugans are inspired in their own right.

To suggest, as he did, that last week's outstanding evacuation measures were carried out so well because Mississaugans are, and I quote, "bland and boring," is not only gratuitous, it is terribly wrong and wilfully hurtful.

I submit to this House that in fact the people of our great municipality co-operated—

Interjections.

Hon. Mr. Gregory: The members opposite are wasting their time; the microphones aren't on.

I submit to this House that in fact the people of our great municipality co-operated in those emergency measures because they are law-abiding, conscientious, compassionate, and care a great deal about their families, their neighbours and their community.

I would further suggest that Mr. Winsor wields a rather wide brush, and I cannot let pass this opportunity to commend all Mississaugans, on behalf of myself and my colleagues, the members for Mississauga North (Mr. Jones), Mississauga South (Mr. Kennedy) and Brampton (Mr. Davis), for our citizens' co-operation and the outstanding example they set in their efforts. While a member of the press gallery here calls our citizens bland and boring, other people around the globe have marvelled at the spirit and co-operation of the people involved in this mass evacuation effort.

I would like to take this opportunity, Mr. Speaker, to invite the columnist from the Globe and Mail to join with me and my colleagues in visiting our great municipality, where we have every confidence our citizens might one day forgive him for this bad judgement and prove to him beyond any doubt we are far from what he had apparently imagined. Thank you.

STATEMENTS BY THE MINISTRY

ARSENIC EXPOSURE

Hon. Mr. Parrott: Mr. Speaker, last Tuesday, the Minister of Health (Mr. Timbrell), reported on the public health situation resulting from arsenic levels in the Moira River and Moira Lake downstream from the disused Deloro smelting and refining site.

Today I would like to outline the measures my ministry has taken, as well as what we are continuing to do to reduce the levels of arsenic in these waters.

The source for this arsenic is the site of the old ore refinery formerly operated by Deloro Smelting and Refining Company Limited. Originally a mine, this facility was used to refine silver, nickel and cobalt ores, and produce arsenic-based pesticides, from 1905 to 1961.

Large quantities of ore wastes bearing arsenic were left on the site. Our monitoring since the early 1960s has shown that arsenic has been entering the Moira River system through runoff and leaching from the site.

A series of orders, first under the Ontario Water Resources Act and then under the Environmental Protection Act, required the owners of the site to improve the collection and treatment facilities so as to reduce arsenic discharges.

In February, Erikson Construction Company Limited, the current owner of the site, told the ministry it was abandoning operations of the collection and treatment system on the plant site as of March 31, 1979 on the grounds they could no longer afford to operate it.

We immediately took over operation of this system.

Since the early 1960s, agencies of the Ontario government have analysed samples for arsenic levels in this system. Ten years ago, we began continuous monitoring at six locations below the Deloro site and we have data from a variety of other locations collected on a special study basis.

In recent years, there have been only two locations where the annual arsenic levels have exceeded the drinking water criteria of 0.05 parts per million. They are in the river immediately below the refinery site and in Moira Lake itself.

In both locations, monitoring through 1975 indicated declining arsenic levels as a result of abatement measures. Lake levels of 0.06 which we measured were close to drinking water quality.

Our monitoring showed a slight increasing trend during 1977 and 1978, but our monitoring so far this year indicates that the water quality has improved since we began operating the treatment plant in April.

We have spent more than $100,000 improving and operating this system since April. We have repaired and replaced berms, pipes and equipment on site, cleaned out the settling lagoons and in general begun improving and expanding the system. In addition we have been erecting fencing and signs around the most hazardous parts of the site and this work should be completed shortly.

A consultant has been retained to identify any possible remaining problems and recommend permanent solutions.

We have served a writ on Erikson Construction Company Limited to recover our costs in operating the treatment system and we intend to recover, as fully as possible, the costs of solving this problem.

When our work at the plant site is complete I am confident the mean levels of arsenic throughout this system will be consistently within our drinking water criteria. I'd like to tell you, Mr. Speaker, that all traces of arsenic will disappear from the system, but there is always the possibility that sediment in Moira Lake resulting from years of discharge may contribute—and I underline—trace levels for some time to come.

We have worked very closely with the Hastings and Prince Edward County Health Unit in dealing with this problem. The health unit has investigated thoroughly, as the Minister of Health advised last week. We can be assured that there are no residents using either the lake or the river as a steady source of drinking water, and therefore there is no health hazard.

With the co-operation of the local health officials we are ensuring that the residents affected are kept informed. We have provided full information to the public and to interested groups, and we are now planning a public meeting in co-operation with the ministries of Health and Labour and the local health unit. At this meeting we will provide citizens, cottagers' associations, and any other concerned parties, with complete information on this issue.

I also will undertake to keep the Legislature advised of our progress in dealing with this matter.

MISSISSAUGA TRAIN FIRE

Hon. Mr. Timbrell: Mr. Speaker, now that the crisis in Mississauga appears to be receding, I would like to report to the House on the response of the health-care system to that disaster. It also provides an opportunity for us to acknowledge with appreciation the response of the health-care workers, institutions and patients within the affected area.

In less than 19 hours last Sunday and Monday three large active-treatment hospitals and six nursing homes—a total of almost 2,000 patients—were evacuated without a single untoward event. To do this we drew on the central resources of the provincial government, the facilities of approximately 25 hospitals and nursing homes, and ambulance and public transit services from another 25 communities outside the evacuated areas.

While my colleague the Solicitor General (Mr. McMurtry) has dealt with the other aspects of the disaster, I think it would be useful to provide the House with more specific detail about the hospital evacuation.

The decision to evacuate the Mississauga General Hospital, Mississauga Extendicare Nursing Home and Chelsey Park was made by Peel regional police, in consultation with the regional chairman, the mayor of Mississauga, the fire chief and the administrators of the facilities concerned shortly after 9 a.m. on Sunday.

There were at that point 450 patients in the hospital; 202 in Mississauga Extendicare and 237 in Chelsey Park 1.

Of these numbers, 262 hospital patients and nine nursing-home patients were judged capable of being discharged immediately either to their homes or into the care of relatives.

Concurrently nearby hospitals were canvassed and 16 patients were transferred to Queensway General Hospital, 17 to Mount Sinai, two to West Park Lodge, 20 to the Toronto General, 13 to Toronto Western, 28 to Joseph Brant in Burlington, 46 to Oakville Trafalgar, 20 to St. Joseph's in Toronto, 12

to Toronto Sick Children's, five to Humber Memorial and nine to Etobicoke General.

The nursing-home patients were moved to the regional school for the deaf, West Park Lodge and the Talumore Nursing Home at Brampton.

The decision to evacuate the facilities was implemented at 9:25 in the morning and was completed by 1:15 p.m. Shortly afterwards, my colleague the Solicitor General in consultation with the civic and hospital officials decided it would be prudent to evacuate Queensway General Hospital. Of the 280 patients, 88 were discharged to their homes or into the care of relatives. Of the balance, eight were moved to St. Joseph's in Toronto, 10 to the Toronto General, 38 to North York General, 16 to Etobicoke General, 24 to York Finch, five to Toronto Western, 34 to Toronto Northwestern, two to Sick Children's, 20 to Queen Elizabeth, six to the Queen Street Mental Health Centre, two to the Hillcrest Convalescent Hospital, 24 to East General and three to Humber Memorial. This move took approximately four hours.

Immediately afterwards, the evacuation of Sheridan Villa, Pines and Tara Nursing Homes began. After 12 residents were discharged, 234 were moved to Peel Manor, 22 to North York Nursing Home, 16 to Fudger House, 18 to Castleview-Witchwood and 19 to Cummerhouse in North York.

Finally, a decision was taken to evacuate Oakville-Trafalgar Memorial Hospital and Oakville Extendicare Nursing Home. It was a joint decision of the mayor of Oakville, the acting chief of the Oakville police department and the administrators of the two facilities. After 89 of the 293 patients were discharged the balance were all moved to Hamilton. Fifty-one of the hospital patients were accommodated in McMaster Medical Centre, 34 in the Hamilton General Hospital, 59 in St. Joseph's, 13 in Chedoke, 44 in Henderson and three in the Hamilton Psychiatric Hospital.

To accommodate the nursing-home patients, we were able to use some federal government emergency supplies which are in the custody of the province and part of which are stored at Hamilton Psychiatric Hospital. These supplies consist of beds and other medical facilities intended to be set up during emergencies in public buildings, such as schools. In this way 132 patients were accommodated, and 39 others were taken to Joseph Brant Hospital in Burlington.

At the peak of this massive transfer, we had 139 regular ambulances and 27 other support vehicles, such as the disaster bus operated by the Metro Toronto department of ambulances. Along with the nine based in Halton-Mississauga, we were able to draw 45 from Metro Toronto, 21 from the Ministry of Health ambulance supply base in Toronto and 10 from St. John Ambulance in Toronto and Peel-Halton. In addition, ambulances were brought in from Streetsville, Brampton, York, Georgetown, the two Hamilton services, Welland, Niagara Falls, Cambridge, Kitchener, Brant county, St. Catharines, Orangeville, London, St. Thomas, Tillsonburg, Woodstock, Grimsby, Bolton, Oshawa and Guelph. The Red Cross, the Toronto Transportation Commission, Mississauga and Oakville transit services also provided communications and support vehicles.

I have gone into considerably more detail than normal because I want to acknowledge publicly the co-operation and individual effort of a very large number of separately managed institutions and services to meet this emergency. In very short order and under the most pressing circumstances, they made available almost 1,300 institutional beds between Hamilton and the Don River without seriously jeopardizing the health of their own patients and the viability of their operations.

Many of the staff of the institutions and emergency health services worked without respite over the period of the emergency. In this regard, members of the Ontario Medical Association volunteered to work at the disaster scene and to be available as emergencies developed there. In every way, it was a magnificent performance, characteristic of the dedicated staff who provide us with the finest health-care system in the world. I know all members of this House representing the people of Ontario are grateful to them.

MANPOWER SURVEY

Hon. Mr. Elgie: Mr. Speaker, on June 22, 1979, I announced the formation of the Ontario Manpower Commission. In the course of my remarks, I made reference to a survey of manpower requirements and recruiting practices in the manufacturing industry that was being sponsored by a group of Ontario industrialists. This survey was designed by the labour market information bureau and analysis unit in my ministry and was distributed to members of the Canadian Federation of Independent Business and the Ontario division of the Canadian Manufacturers' Association.

The purpose of the survey was to obtain information on current shortages and future skill requirements in the manufacturing in-

dustries of Ontario. In addition, it inquired into several related matters, including the degree of difficulty in recruiting for specified occupations and employer perceptions of the specific reasons for the difficulties noted.

The survey report has just become available. It sets out the results for the province as a whole, for 33 major urban centres, as well as for 19 community college areas.

[2:30]

Some of the major findings of the survey are that close to 50 per cent of the responding firms are currently experiencing difficulty in filling jobs. Shortages were reported in a wide range of occupations, particularly in the highly skilled industrial trades. The reporting employers expressed a number of concerns. Outstanding among these is that training in the industrial trades needs to be improved.

The government has already given a great deal of attention to the circumstances confirmed by the survey. Its results indicate that many of the measures we have taken, such as increasing the number of apprenticeable trades and the introduction of more flexible skills-training arrangements, are appropriate responses to the current skills supply situation.

The Ontario Manpower Commission is actively supporting these measures and considering others that may be required to meet the skill needs of the economy. It will make extensive use of the survey information in ensuring that provincial manpower policies and programs address the problems that are identified.

Mr. Speaker, the report is being distributed to each member of this Legislature, interested employers, unions, educators and government agencies.

ORAL QUESTIONS

MISSISSAUGA TRAIN FIRE

Mr. S. Smith: Mr. Speaker, a question of the Attorney General: Yesterday the Attorney General stated he would be speaking to Canadian Pacific Rail regarding the possibility of its withdrawing the waiver form it is at present forcing people to sign. Could the Attorney General tell us whether or not he spoke to Canadian Pacific and whether it is going to withdraw this waiver, or whether it basically thanks the Attorney General for his opinion and intends to carry on regardless?

Hon. Mr. McMurtry: Mr. Speaker, yesterday I did speak to Mr. William Stinson, an executive vice-president of CP, who is in Montreal. I indicated to him that I was certainly dissatisfied with the form of waiver or release that was being used.

I suggested to him that in my own view it would be appropriate in the circumstances if they simply accepted an acknowledgement of payment for the amounts that were paid, in the form of a receipt, for the specific amounts that were paid over. I thought that would certainly afford them any protection they might wish to enjoy in the circumstances.

When he indicated CP's lawyers had advised them not to do that, I put it to him in very strong terms that I felt that given the sensitivity of the situation, given what the individuals from Mississauga had been through, anything more than a receipt or acknowledgement of payment I thought was unreasonable in the circumstances.

When he advised me that their lawyers were insistent that they had to have a form of release, I told him that the form of release was totally unsatisfactory as far as I was concerned, and that the one line that purported to be a release of all claims was at the bottom of the form—as some of the members know—and that it was not very noticeable. Obviously, it would probably not come to the attention of many of the people who would be signing it.

I indicated to him that if they insisted on proceeding with a form of release, at the very least they should use a form that had stamped on it "full and final release," in red and in inch-high letters, so the people would be aware of what they were being asked to sign.

He said he would take it up again with their lawyers, colleagues and others. The message I got back was still that they were not prepared to withdraw the form of release they were using. The only thing they were prepared to do was to reprint the form to put the release portion in more bold type.

This is a matter that has concerned us very deeply. The member for Mississauga East (Mr. Gregory), the member for Mississauga North (Mr. Jones) and the member for Mississauga South (Mr. Kennedy) have been very concerned about this issue, as they have been from the moment of the explosion. They have been very concerned about this form.

I want to make it clear to the Leader of the Opposition that the members from that area on this side of the House have been as concerned as myself or anyone else in this Legislature. So the bottom line at this moment is that the CP is unwilling to withdraw this form.

I had a solicitor from my ministry out there this morning speaking to a number of the claimants. A number of the claimants would appear to be happy with the ability to be able to make a quick settlement of their out-of-pocket expenses. However there is no question in our view that most of them probably are not addressing themselves to the issue—namely, that the claim form would purport to be a release from all other claims, including future claims that may arise that they simply don't know about at the moment. They might be health-related or other claims.

I repeat what I said to Mr. Stinson yesterday that in my view their attitude was unreasonable and the release form they were using was irresponsible. I regretted very much they were adopting this approach.

This is an issue that is, technically at least, theoretically between individuals and a private company. The mandate of the Attorney General gives him no authority to intervene and force the CPR to use a particular form of release. I've expressed my concern in the strongest terms. But we are going to watch the matter very closely.

Interjections.

Hon. Mr. McMurtry: If the yappers over there would just cool it for a moment I'll finish.

Mr. Speaker: Order, order. If the Attorney General would ignore those whom he refers to as yappers, I want to remind him that his lengthy answer has taken six and a half minutes. A supplementary?

Mr. S. Smith: It would appear the Attorney General has as much clout with CP as the Premier (Mr. Davis) has with the Prime Minister of the country.

Interjections.

Mr. Speaker: Order. Does the member have a supplementary?

Mr. S. Smith: The members keep interrupting me, sir.

Given the fact that this behaviour on the part of CP, a very important corporate citizen of this country, can only be described as despicable, is the Attorney General prepared simply to sit back and throw up his hands; or is he prepared, at the very least, to engage in a full-scale advertising and education campaign beginning today, using all media, so that everyone in Mississauga knows what he or she is being asked to sign? Will he arrange to have a duty counsel from legal aid there at the site where these claims are being processed, giving advice to each person as he or she comes in to present a claim to CP?

Hon. Mr. McMurtry: As I indicated yesterday in the absence of the Leader of the Opposition, I had discussed with the mayor of Mississauga the advisability of opening up a legal aid clinic in that area and had discussed it directly with the vice-president of the local bar association. I understand that is being done.

I don't have the final details, but certainly this issue has been brought to the attention in a very direct fashion by the media people who have been reporting on this issue very extensively, and it would be difficult to imagine anyone living in Mississauga who is not aware of this issue.

Given the lawyers who are rendering assistance, I can assure the Leader of the Opposition that if legitimate claims arise after this purported release is signed there are certain actions that can be taken to protect the rights of those citizens and those actions will be taken. I am not going to speculate at this moment on precisely what they are until we determine the dimension of the problem, but I can assure the member action will be taken.

Mr. Cassidy: Supplementary: Given the fact that for many Mississauga residents the major out-of-pocket loss they have suffered has been the loss of wages or salaries and not the expense of being away from Mississauga, did the Attorney General make representations to CP Rail about paying lost wages now, without waiting for a court case to be taken against them? What response did the Attorney General get from CP Rail, and what action is the government prepared to take in order to ensure that those citizens of Mississauga or workers in Mississauga can get immediate compensation up to a reasonable limit for lost wages or salaries suffered last week?

Hon. Mr. McMurtry: I am advised they are now being compensated for loss of wages and any out-of-pocket expenses including loss of wages that are documented. For example, we have reported in this morning's paper that a woman was compensated for boarding her dogs and cats somewhere. That would indicate, on the other side of the coin, that CP claims people are taking a fairly reasonable view of the out-of-pocket expenses. My information at the moment is that they are paying these claims for loss of wages.

Mr. Kennedy: Mr. Speaker, in the last couple of moments my supplementary has really been answered, but I did want confirmation that we now have hundreds of people who have signed waivers. Would the Attorney General confirm they can now be

told that if subsequent claims arise there are options open, to government and through government, to them to restate their claims against the CPR?

Hon. Mr. McMurtry: As I indicated earlier, if it turns out that individuals are signing this form and are not aware of certain rights they have in relation to losses of which they are not aware at the moment, such as health-related or other losses, then there are remedies open to protect those individuals with respect to any future claims. We are going to watch it very closely. Again I repeat, I am not going to speculate as to those remedies until we know the true dimension of the problem.

Mr. S. Smith: What remedies? As a supplementary—

Mr. Speaker: A new question. We have spent nearly 14 minutes on this subject.

Mr. S. Smith: Basically, I would be guided by your ruling, Mr. Speaker. Is this a new question or a final supplementary?

Mr. Speaker: A new question.

Mr. S. Smith: Then I will ask a question again of the Attorney General on the same matter.

Is the Attorney General aware that after his request that the material be in one-inch red type it would appear that CP has now made a claim report for out-of-pocket expenses where the claim at the bottom looks to be in approximately one-eighth-inch black type, hardly in keeping with the request of the Attorney General?

Can the Attorney General comment on that and, since the Attorney General said in his initial answer that the claimants were at the moment not directing their minds and their attention to the issues—I think those were his exact words—how can he refuse to have a lawyer on the site where they come for their claims to advise each person of what possible claims might occur that the person might not have thought of, apart even from wages and possible business expenses, unless he believes the legal aid clinic spoken of by the mayor is the one that will handle it?

[2:45]

May I draw his attention to Mayor McCallion's statement that the clinic she is speaking of would not be free legal aid? She said the lawyers who would be volunteering their services would not give advice and certainly would not be on the scene where the claims are being processed. Why does the minister not plant someone there to give advice to every person coming in so they truly know the real ramifications of what they are being asked to sign?

Hon. Mr. McMurtry: My understanding is that there is free legal aid available. I can't give specifics about that. The issue is certainly well known in Mississauga, but I will explore all possible avenues, including those suggested by the Leader of the Opposition, to assure us that the citizens are aware of those rights. I will explore those immediately.

I just want to make this further remark in relation to the claim form the Leader of the Opposition has just referred to. Yes, I have seen that new claim form. Yes, I agree it is unsatisfactory. Yes, I state I am very disappointed, to put it mildly, in their attitude. I think it demonstrates an enormous insensitivity to the rights of the citizens of Mississauga. I want to emphasize that fact.

Mr. Mackenzie: Supplementary: Can the Attorney General tell us what claims the Mississauga residents who have not signed waivers will have in terms of their jobs, where they apparently have lost their jobs as a result of having to move out during the incident in Mississauga?

Hon. Mr. McMurtry: The Attorney General of any province is not in a position to give off-the-cuff legal advice on every possible ramification of this. I indicated, and again I repeat it, we are going to monitor this very closely. If any instances of injustices are brought to our attention, we will explore every possible remedy to right those injustices. I can give the House this assurance at this time.

Mr. Roy: In view of the magnitude of the potential problem, the large number of claims, and given the clearly intransigent approach of Canadian Pacific, which is a form of blackmail basically, in trying to give quick payment through signing a release, although the Attorney General of this province has limitations on his jurisdiction—something that sometimes has not bothered him before—has he advised CP that one of the possible alternatives for Ontario—which will surely have a claim against CP for a number of matters, I would think; police force, et cetera—would be that Ontario would process the claims and give some consideration to class action?

Is the Attorney General prepared to go one step further and advise CP that if he needs jurisdiction, we in this House will give the necessary jurisdiction by way of legislation?

Hon. Mr. McMurtry: I think the issue of class action, as the member for Ottawa East knows, is a very complex one and could delay the whole process considerably. I simply want to give him my assurance again that we will explore every possible avenue to expedite a fair and reasonable settlement of

these claims in the most reasonable time possible. I will be very happy to discuss this outside the House as well as inside the House with the member for Ottawa East. I would be very pleased to have any of his suggestions in this regard.

Mr. S. Smith: Will the Attorney General please ask the Premier of Ontario to call the president of Canadian Pacific into his office and tell him in the clearest possible terms the viewpoint of Ontario in this regard and to demand a far more reasonable and far more just attitude on the part of that very important company?

Hon. Mr. McMurtry: The Premier of Ontario has followed this dialogue yesterday and today with great interest. I can assure the Leader of the Opposition he will do what he thinks will be appropriate and effective in the circumstances.

[Later (2:55):]

Hon. Mr. McMurtry: I just want to advise this House that I was mistaken when I stated that the lost wages, as part of the out-of-pocket expenses, were being paid. They are allowing people to write in, with the exception of lost wages, on the reported basis, but because of insurance claims, unemployment insurance, they won't pay lost wages at this time. I don't think their explanation is a satisfactory one, and furthermore, Mr. Speaker, it would appear that they are now instructed not to make any exemption in the form of relief except for loss of wages. Obviously, and I speak on behalf of all members, we are simply saying we are bitterly disappointed in their attitude in this matter.

[Reverting (2:50):]

HEALTH SERVICE CHARGES

Mr. Cassidy: I have a question for the Minister of Health. Since the Minister of Health has rejected legislative action to ensure one common fee schedule for doctors' services in Ontario or to ensure that the patients are not double-billed if they weren't informed in advance by their doctors who have opted out, is the government now prepared to seek binding agreement on these two issues from doctors as part of the current fee negotiations with the Ontario Medical Association?

Hon. Mr. Timbrell: Mr. Speaker, I previously answered that question on a number of occasions. It has been asked in various ways and answered always consistently. In Ontario, as in other provinces, we have a system for physician compensation that does provide for cases where the physician decides to bill the patients directly. Other provinces such as Saskatchewan have similar schemes. We do not plan to change that system.

I misled the member last week when I gave him a figure. I had indicated that while less than 18 per cent of our doctors are non-participating, that is billing their patients directly, something like 11 or 12 per cent of the claims were opted out. I was wrong; it is only nine per cent.

Mr. Cassidy: Supplementary: Later in the session I'll be introducing petitions signed by more than 250,000 Ontario residents who oppose extra billing and are opposed to the government's health cutbacks. Can the minister say what it would take to persuade this Conservative government of Ontario that the people of Ontario want one-price medicine? What will it take for this government to give the people of Ontario one-price medicine?

Hon. Mr. Timbrell: I want to thank the member and his colleagues and I welcome the production today of the various lists. As I indicated a few weeks ago, I intend, and I have already set things in motion, to send a letter to every single person who has signed one of those petitions, where the name and address are legible.

I intend, while answering these petitions, to give the signee, if that is the proper term, the true facts about the health-care system. I am going to tell them that since 1973 the population of the province has gone up by six per cent but the number of doctors has gone up by 19 per cent. I am going to tell them that in that same period the use of the health-care system has gone up by 30 per cent. I am going to tell them that since 1972 the per capita spending on health care has gone up from $205 to $500; even when one allows for inflation that's a big increase in spending on health care in this province. I am going to give them the basic facts about the health-care system that members of the third party haven't done.

I made the suggestion to the honourable member that in all of this campaign of his to save his hide he had a perfect opportunity to speak to people about something we could all do in a very constructive way to help our health-care system and that's called giving blood. Right now the problems of blood supply in many areas, as is known, cause more problems, inconveniences more physicians, inconveniences more patients, than anything else.

Mr. Peterson: Supplementary, Mr. Speaker: As one who has before resented the minister's government using taxpayers' funds in sending out letters for political gains—for example, the Premier (Mr. Davis) sending out

letters of apology to the doctors some years ago at an expense of $9,000—would the minister promise this House that he will use no taxpayers' funds for this silly political letter campaign that he is going to carry on in this silly fight with the NDP?

Hon. Mr. Timbrell: Mr. Speaker, I think it is in the interests of public information and the democratic system that the people have the information. It will be done, I can assure members, in the least expensive way possible to keep the costs to a minimum.

Mr. Breaugh: Mr. Speaker, the minister has made this promise twice now in this House to respond to each and every one of them. I wonder if I could ask him to dispense with that political exercise and instead use that funding to put back into the medicare system the proper funding that it requires.

Hon. Mr. Timbrell: Mr. Speaker, it's interesting the number of visits I have had from representatives of various foreign countries, provinces and states, even as recently as 1:30 today, who have come here to visit with my officials and myself to examine our health-care system because it is known throughout the world, if not to that member, as the finest in the world.

Mr. Cassidy: Since the minister asked me to elaborate on some of the facts about the health-care system, will the minister not agree that the gentlemen's agreement with the Ontario Medical Association of last spring has failed, in fact failed so badly that the current president of the Ontario Medical Association, Dr. Douglas Caldwell, is himself not only an opted-out anaesthetist but in fact has admitted to the press he does not tell his patients in advance that he intends to double bill them?

If the government cannot even get the OMA president to abide by the gentlemen's agreement of last spring, will the minister not agree to ensure, either by negotiation or by legislation, that we get one-price medicine in this province and that every patient gets told in advance if the doctor intends to double-bill?

Hon. Mr. Timbrell: I am sure Dr. Caldwell can look after himself and he will reply to those allegations of the honourable member. I know as long as I have been around here, but particularly in the last three or four years, the member has had this idea that somehow he could waltz into power on the corpse of the medical profession of this province. We happen to think Ontario has been well served by its doctors. We do not intend to use the doctors as political whipping boys; never ever will we do that.

With respect, I think the question has been answered repeatedly before. The honourable member chooses to take a few incidents as compared to 38 million—I corrected that number too; I checked it—claims on the health plan since April 1. Since I made that statement, services have been provided to the people 38 million times. Unquestionably, the member has come up with examples and I have been provided with examples where it has not worked perfectly. There's a mechanism to resolve those differences. He doesn't choose to use it. In fact, he chooses to ignore it. It is in his political interests to ignore it and to try to show that it won't work. Well, it will work.

[3:00]

RENT INCREASES

Mr. Cassidy: I have a question for the Minister of Consumer and Commercial Relations regarding rents in the city of Toronto. In view of the fact that rents for newly built apartments in Toronto have risen between 29 and 74 per cent between 1976 and 1978, does the Minister of Consumer and Commercial Relations not agree that tenants need protection against these excessive increases by landlords on recently built apartments? Therefore, will the minister introduce changes to the Residential Tenancies Act to bring all apartments under rent review so that landlords be required to justify all rent increases on the basis of cost and not profiteering?

Hon. Mr. Drea: Mr. Speaker, I never break a commitment that was made by the Legislature of Ontario. The answer is no.

Mr. Cassidy: Supplementary: Given that the Legislature itself didn't make a commitment—perhaps it was made by the government—will the minister consider the fact that rents on three-bedroom apartments, for example, rose from $331 on apartments built in 1976 to $575 on apartments built in 1978, a 74 per cent increase? Will the minister at least introduce changes to the act in order to require landlords of buildings built since 1975 to file their notices of rent increases with the Residential Tenancies Commission? Then the government and the public can monitor what is happening in these buildings and come to the rescue of tenants who risk being exploited by landlords who are not now under rent review?

Hon. Mr. Drea: That matter was discussed at length during the very lengthy committee hearings on the Residential Ten-

ancies Act. It was the will of the majority that it not be done.

Mr. MacDonald: The will of the Liberals and Tories.

Hon. Mr. Drea: Just a moment. I heard some rumblings over there from somebody.

The majority of the members of the Legislature of Ontario passed legislation that said no rental unit occupied after January 1, 1976, will be covered by any form of rent control. If the honourable member is saying that doesn't bind him, what he is saying is he doesn't believe in democracy; the only thing that ever binds him is when he wins.

On the second part of the honourable member's question, the answer again is no.

Mr. Cassidy: Final supplementary. Would the minister not agree that his answer indicates that nothing ever changes as far as the government is concerned when it comes to protecting tenants in this province; nor for the Liberal Party, as well? Will the minister not look at the facts of what is happening on rents on accommodation built since the beginning of 1976? Will he assure tenants in that accommodation there will be protection against excessive rent increases or against rent gouging by landlords?

Hon. Mr. Drea: That question makes as much sense to me as the city of Toronto non-profit housing authority subsidizing people with $45,000-a-year incomes.

FREEDOM OF INFORMATION

Mrs. Campbell: My question is to the Attorney General. A story appeared in this morning's Globe and Mail which refers to the research paper prepared by one Larry Fox for the Commission on Freedom of Information and Individual Privacy. His findings appear to be that many of Ontario's boards, tribunals, commissions and branches of ministries are operating under secret law in arriving at their decisions. Would the Attorney General, as a matter of the administration of justice, allocate some of his crown law officers to investigate that paper and to investigate the boards to which reference is made, to ensure that this practice is discontinued?

Hon. Mr. McMurtry: Yes. I haven't seen that background paper; I saw the reference in this morning's paper. Certainly, we will review the paper very carefully, and take what we consider to be the appropriate action —bearing in mind that we still are waiting for a report of the commission—to see that these tribunals act according to the best principles of natural justice, which appear to be relevant to the news report that we read this morning. Yes, I'll do that.

Mrs. Campbell: Mr. Speaker, supplementary: In view of the fact that some of those to which reference has been made have been ComSoc tribunals or review boards—a matter that has been of common knowledge to members of this Legislature—would the Attorney General like to begin there with his examination of these sacred criteria?

Hon. Mr. McMurtry: I understand that my colleague, the member for Cochrane South (Mr. Pope) has been reviewing this report. I have nothing to add to my previous answer. It may be that the question could be redirected to the member for Cochrane South, if the member for St. George would like to do that.

Mrs. Campbell: I would just like to ask the Attorney General if he is not in fact the Attorney General, and if this is not a matter basically of the administration of justice?

Hon. Mr. McMurtry: I told the member for St. George that of course we were going to look into the matter; that was my earlier response. We were going to review the situation, and again, to ensure that these tribunals perform their functions according to law and the principles of natural justice. I had already said that. But in view of the fact that the member for Cochrane South indicated he had some information that might assist the member for St. George, I simply thought it might assist her, and the members of the Legislature, if he were given permission to respond. It was for that reason and that reason alone.

Hon. Mr. Pope: Mr. Speaker, just as a point of clarification, the member for St. George is referring to research publication No. 10, printed by the Commission on Freedom of Information and Individual Privacy. The specific part of that report to which the honourable member has referred is found on pages 202 to 218.

This report was mailed to all members of the House on November 16, so I would urge members who are concerned about this matter to review the report when it has arrived in their offices. I'd like to make one quote. It's found on the bottom of page 202:

"With a single exception, the administrative tribunals and boards surveyed do not rely on secret law for guidance."

Mr. Roy: That's taken out of context.

Hon. Mr. Pope: No, it isn't taken out of context. I've read this report.

Then it goes on to deal with some specific questions that deal with the provincial benefits branch, the vocational rehabilitation

branch and the assessment review tribunal. These are research publications that are available to the commission, that will be taken into account by the commission when it makes its final report.

Any comments that any members of the House or members of the public may have with respect to some of the very important issues that are raised in these publications, and in the final report, we'd be glad to hear.

IRON ORE SUPPLIES

Mr. Martel: Mr. Speaker, a question to the Premier: Since Ontario now imports approximately 58 per cent of its iron ore requirements, much of it from the United States, and since the Caland Mine of Atikokan, which closed on Friday, and National Steel, which closed this past summer, were both closed on orders from the United States and both still contain recoverable ores, what action does the government propose to take to protect the Ontario miners and the communities in these one-industry towns?

Hon. Mr. Davis: Mr. Speaker, the member raised this with me a while ago—if memory serves me correctly—and the Treasurer (Mr. F. S. Miller), who is unfortunately under the weather at the moment, was going to answer. I have some of the information, which I will share with members, but I want to make it clear this is information that has been provided to me.

"Firstly, the world surplus of iron ore pellets still exists, although some improvements have taken place, primarily due to the high level of steel production in Canada and the US. Secondly, the high level of production is expected to drop in 1980, thus the strength in iron ore is only temporary." These are the views of people who are analysing the situation. I do not assume responsibility for their point of view.

"Thirdly, while the demand for iron ore is high in North America by standards of recent years, on a wider context supply has outstripped demand, leading to a situation where," in the words of the same report the member quoted—and I am going back to the report he quoted here in the House—"prices in world markets remain at a depressed level." That is in the document the member read to me some 10 days to two weeks ago.

Mr. Martel: It was four weeks.

Hon. Mr. Davis: Four weeks? Time goes so rapidly in this pleasant atmosphere.

The member did not perhaps have time to read two other crucial sentences, which read as follows: "Costs continue to increase faster than prices and, as a result, gross operating income from Hanna's domestic iron ore operations in the first six months of this year was down 10 per cent from the same period in 1978. This illustrates that market conditions are not sufficiently favourable to support high-cost operations."

That was really a partial answer to the question the member asked me. If he had read the total report, he could have answered the question himself. The member quoted the report correctly as having said "iron ore shipments from the company's Brazilian operation were up 10 per cent during the first six months of this year." That is an accurate quotation he made; he read it correctly.

The report went on to say—and I guess the member missed this part—"However, the cost increases at this facility outpaced price increases, thus operating income declined by 13 per cent, a further exemplification of the underlying weakness of the iron ore market."

That is information that really was available to the honourable member. It does not solve the problem and we acknowledge that. We are making every effort to see what can be done to alter the situation, but it cannot be done overnight. The member knows full well of the efforts of the Minister of Labour, the Premier and others to try to keep this facility viable, and we will not cease in our efforts to do so.

Mr. Martel: Supplementary, Mr. Speaker: Since Ontario imports only 58 per cent of its needs, since the Premier created a special cabinet committee in 1977 to come up with policies respecting the one-industry towns in northern Ontario and since four out of Ontario's nine iron ore mines have closed down in the past 12 months, when can we expect some policy from that heralded group of his in the cabinet, which has yet to meet, I suppose, and when can we expect some legislation which will protect the communities? I ask this particularly because, as mentioned, we are now bringing in 58 per cent of the needs of the steel mills in Ontario.

Hon. Mr. Davis: The honourable member really is more aware of the complexities of the situation than his question would indicate. He knows full well that this particular mine, the viability of it, the kinds of pellet it produces—

Mr. Martel: I am talking about Caland.

Hon. Mr. Davis: This is the one the member asked about, and this is the one I

am answering. The member knows full well the problems that exist with Caland.

Mr. Martel: You didn't listen to today's question at all.

Mr. Speaker: You are not listening to the answer.

Hon. Mr. Davis: That's right, Mr. Speaker.

Mr. Martel: That is not the answer to the question I asked four weeks ago.

Hon. Mr. Davis: I supplied the answer.

Mr. Speaker: Order.

Mr. T. P. Reid: Supplementary, Mr. Speaker: Given the fact we appreciate the complexities and the market requirements, would the Premier not agree that surely the time has come in Ontario that foreign-controlled operations, such as Caland, should not be allowed to come in, mine high-grade and then pull out of Ontario and Canada leaving minable ore there that is not in sufficient quantity to allow a domestic company to go in and set up a mining operation? Surely the foreign company has to take some of the bad with the good and at least complete the resource and keep those communities going as long as possible. Would the Premier not agree?

Hon. Mr. Davis: I would agree it would be highly desirable if the result the honourable member referred to were to take place, there is no argument about that. The way of achieving this is something a little more difficult to develop in terms of policy. The problem is not simple. It would be very difficult to suggest to anyone, whether domestic or foreign-controlled, to produce a product or to try to market a product for which there is no market. That is the problem at the moment with Caland. It is as simple and unfortunate as that.

[3:15]

Mr. Foulds: Supplementary: Does the Premier not realize there are 1.7 million tons of ore already available at Caland and Caland itself admits there are 16 million tons that are acceptabe and minable that could keep the town of Atikokan going over the next six or seven years? What action did his government take when it was notified by Caland last week that it was closing its pelletizing operation five months earlier than previously announced? What steps did his cabinet committee take to preserve those 200 jobs?

Mr. Laughren: You didn't give a damn.

Hon. Mr. Davis: With great respect to the member for Nickel Belt, I heard his interjection. I just hope that what the member said is noted in Hansard, after the fuss earlier today.

I would say to him in reply to his interjection, that if his party showed the same genuine concern in actually trying to accomplish something for the people of this province that this government does, he would be in a position to make that kind of criticism.

They think over there they've got a monopoly of all the concern. I just wish they would spend a little time trying to solve some of the problems in this province instead of just constantly talking about them.

Mr. Speaker: The Minister of Health has the answer to a question previously asked.

FRENCH HEALTH SERVICES

Hon. Mr. Timbrell: Mr. Speaker, on November 15 the member for Ottawa Centre (Mr. Cassidy) asked me why letters received in French at the Brockville Psychiatric Hospital are sent to Toronto for translation. Following that question, I had my staff check with the administrator of Brockville Psychiatric Hospital. To the best of his recollection, in the past two years there has been only one letter written to him in French, from a relative of a patient, requiring translation. The letter was translated by staff at the hospital. That occurred prior to the establishment of our office of the French-language services co-ordinator in the ministry.

In the last six months, he reports, there have been three letters which have required translation in Toronto. One was a Christmas letter which he is sending out to all patients and two others were form letters he is sending out to be used by the facility. In addition, two letters of a more straightforward nature were translated at the facility at Brockville Psychiatric Hospital.

PCB SPILLS

Mr. Hall: Mr. Speaker, I have a question for the Minister of the Environment in connection with the spill of 50 to 75 gallons of PCBs in the Grimsby area last week by Chemical Waste Management Limited.

Can the minister explain why his ministry has continued to support requests to the Environmental Appeal Board to delay holding a hearing concerning 20 conditions applied by his ministry last December 14 on the operations of Chemical Waste Management Limited at Smithville, Ontario, which conditions, if applied, would have eliminated the possibility of the spill that occurred last week?

Hon. Mr. Parrott: I'm not persuaded it would have eliminated the possibility of the spill, but I do agree with the member that the negotiations have gone on long enough. Knowing of the member's prior concern I have already put in motion the formulation of a letter that will be sent to the appeal board asking it to get on with the appeal hearing.

Mr. Hall: Supplementary: The delay in having a hearing proceed, on the basis of negotiations with Chemical Waste Management Limited, seems to me rather unfair because of the fact the conditions were agreed to with the municipality of the township of West Lincoln, which is not a party to any changed negotiations. I don't think it is fair for two parties to negotiate a three-party arrangement without the knowledge of the municipality. That's my concern.

Hon. Mr. Parrott: As the member knows, we did consult extensively with the municipality on the conditions and they were well aware of them before they were placed. It sometimes avoids the delay of an appeal hearing if one can negotiate an agreed position. In this instance, because the municipality was involved in the first negotiation, I can assure the member it would have been involved before those conditions had been changed through negotiations. We would have involved them and they would have known. Therefore, although they were not present in the negotiation process, we would have given them the right to agree or disagree with any conditions that would be changed as a result of those negotiations. So in effect they were there.

PSYCHIATRIC SERVICES

Mr. Wildman: I have a question of the Minister of Health. Now that the minister is finally proceeding with the setting up of 36 psychiatric beds in Sault Ste. Marie, even though the Algoma District Health Council has stated there is a need for 42 beds, can he inform the House when he will be responding to the recent report of the Ontario Council of Health which identifies a serious shortage of psychiatrists and psychological services in Sault Ste. Marie and district?

Hon. Mr. Timbrell: Mr. Speaker, I anticipate that as far as an overall response is concerned it will come early in the new year. We're still receiving some of the task force reports associated with the overall report.

We have, in the last year or year and a half, initiated a number of projects in northern Ontario with respect to psychiatric services, including the announcement which was made on my behalf by my colleague, the member for Sault Ste. Marie (Mr. Ramsay), to do with the Plummer Memorial Public Hospital.

Mr. Wildman: Why six beds short?

Hon. Mr. Timbrell: There's a physical limitation one has to take into account as well—the building to be converted.

We've recently initiated the travelling clinic from the Algoma Sanatorium, upgrading of services at the Lakehead Psychiatric Hospital and the like.

I can assure the member that one recommendation we are moving on right away is to reorganize our own ministry with respect to psychiatric services in order to bring it all under one umbrella.

Mr. Wildman: Supplementary: In the minister's studies, has he come up with any policy recommendations as yet on how he is going to attempt to attract more psychiatrists to the north, being aware, as he must be, the Ontario Council of Health has stated there is a need for 14 psychiatric specialists in Sault Ste. Marie and district where there are only two?

Hon. Mr. Timbrell: In some areas we're already using financial incentives. For instance we pay a 20 per cent bonus for psychiatrists to work at Lakehead Psychiatric Hospital and in that area. We are prepared to use the underserviced area program with the physical incentive there. Obviously, I can't force them to go. We don't have conscription of the medical profession yet—the NDP is not in power.

We will have to find imaginative ways to come up with incentives to get them to practise there. We have difficulties in getting psychiatrists to go to many areas. We've had to come up with financial incentives to practise in various parts of the province. We will continue to use whatever means are available to us to convince psychiatrists and to influence them in making such decisions to go into other areas of the province than just around the teaching centres.

PEEL REGIONAL POLICE

Hon. Mr. McMurtry: Mr. Speaker, on November 2 the member for London Centre (Mr. Peterson) asked me a question concerning the allegations of physical abuse involving the Peel Regional Police Force made by one William Nykyforchyn. I am now in a position to supply the House with a report.

The matter already had been investigated by the Metropolitan Toronto police, the Peel regional police and the Ontario Police Commission. All the investigations indicated Mr.

Nykyforchyn's allegations could not be corroborated or substantiated. The threats and assaults were denied by the police officers whom he accused. On July 12, 1978, Shaun MacGrath of the Ontario Police Commission wrote to Mr. Nykyforchyn saying the matter had been thoroughly investigated and reviewed and that his complaint was not substantiated. On July 13, 1978, the then Solicitor General, the member for Burlington South (Mr. Kerr), wrote to the member for Etobicoke (Mr. Philip), who had raised the matter during estimates, to the same effect.

William Nykyforchyn was a private investigator at the time of the events in question. During the early part of 1978 the Peel regional police, the Metropolitan Toronto police and the Ontario Provincial Police were involved in a joint forces investigation which led to charges against Daniel McGarry, John McGarry, Centaur Temporary Help, Centurion Investigations and William Nykyforchyn.

In the course of the investigation Mr. Nykyforchyn was interviewed and his allegations of threats and assaults arose from those procedures. Preliminary inquiries have been held on most of the charges and the trials are set to proceed during the February 18 sessions in Peel county.

On September 21, 1978, Mr. Nykyforchyn voluntarily attended at the Peel Regional Police Force and provided a statement to some of the very officers whom he had accused of threatening and assaulting him. The crown intends of introduce the statement at his trial.

It is our view this may afford Mr. Nykyforchyn an opportunity to discuss his allegations of mistreatment by the police on that occasion, if he so chooses.

Mr. Speaker, Mr. Nykyforchyn did in fact attempt to lay charges before Justice of the Peace Robert Powers, but no process was issued. The justice of the peace, of course, had a judicial discretion in the matter. If Mr. Nykyforchyn wishes to dispute the court's failure to issue criminal process there are other avenues in law open to him, including the right to commence a civil action.

BROWNING-FERRIS INDUSTRIES

Mr. McGuigan: Mr. Speaker, my question is for the Minister of the Environment. Would the minister tell us the rationale for his government guaranteeing up to $100,000 to Browning-Ferris Industries in their proposal to put a liquid-waste solidification plant in Harwich township in Kent county; and would the minister comment on the justice of a system so weighted on behalf of a commercial company and so lacking towards the residents of the township who wish to research this project themselves? Would the minister tell us also the particular law he invoked in making this guarantee?

Mr. Bradley: Friends of big business.

Hon. Mr. Parrott: I will come to that in a second.

I think there was a great rationale for what we did and I am very proud of what we did. The commitment we made in an attempt to address a problem the Leader of the Opposition (Mr. S. Smith) has brought to this House many times and which I believe is of great significance to this province—and that I am prepared to act on—was that we needed facilities in this province for the treatment of liquid waste.

We asked various companies to make proposals, but we also put a lot more on the record and I hope the honourable member is aware also of what we said. We said the eventual cost of a successful hearing would be borne by those who do business. We asked six companies to come forward and make proposals and said we would select two. That we have done. If they are unsuccessful, it would be at our request that they went forward with those proposals.

I think it is as logical and as defensible as possible to have that cost borne by this province in order to solve the problem of liquid industrial waste. We are moving on a very aggressive front and I am pleased about that.

The honourable member says we are not protecting the people. I tell him at the same time the announcement was made that no facility would go in without a full environmental assessment hearing at that site. There is no finer, fuller protection for the citizens in any jurisdiction than under our Environmental Assessment Act and they are given that full protection.

What really does disturb me a great deal is that having said we will do the fullest possible job of informing the public, of protecting the public, that somehow or other, long before the proposal is put forward, long before the hearing is held, the honourable member has said it must not happen. If that is the case, if everyone in this province took exactly that same approach, there would never be a solution to the liquid industrial waste problem. We would always be plagued with the problems of indiscriminate dumping, et cetera. We would never have a solution.

I tell the honourable member that he can't have it both ways. I am very proud that we

are permitting in this province an opportunity to treat our waste. I am proud we are paying for that, if they are unsuccessful. I believe they will be successful and we will have a solution. I hope that the member will be more open minded than to say before he has heard any of the evidence, "It can't be done."

Mr. McGuigan: Mr. Speaker, I have been answered on the first half of my question but my second half is how does the minister see the justice of the system whereby people who don't have great faith in the system cannot defend themselves in this matter? [3:30]

Hon. Mr. Parrott: The whole point of an environmental assessment hearing is that they can be there, they can hear all of the evidence and they can object to it. I will tell you what, Mr. Speaker; I will go one step further and I am pleased to do so. I know the member opposite would like a meeting with his local officials in my office. I am prepared to do much more than that. I am more than prepared to go into the member's constituency and talk about the need for liquid industrial waste facilities and the logic of what we are doing. I am more than pleased to tell the members opposite we will be there at an open meeting, because I believe what we are doing is the right thing to treat this problem.

Ms. Bryden: Supplementary: How can the minister say the residents are protected before the environmental hearings when it is a David and Goliath situation if nobody pays the opponents' costs, except themselves out of their own pockets, and the government pays the cost of the proponent? How can he call that a fair hearing?

Hon. Mr. Parrott: I believe it is fair for this very basic reason: I believe an environmental assessment hearing is there for the protection of the people of our province, not for the benefit of the proponent. The member has the cynical view that a hearing is whitewash. I don't. I believe in that process and I know the information will come forward. It is there for the protection of the people.

PETITIONS

HEALTH SERVICES

Mr. Cassidy: Mr. Speaker, today New Democrats are submitting petitions that have been signed by 274,856 residents of Ontario protesting the government's cutbacks on health care. This is the largest petition in the history of Ontario. Specifically, I wish to present, under rule 29(b), a petition signed by 239,942 Ontario residents which is addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario and which states:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows: We protest the government's restraint program for health care. The quality of health care in Ontario is now threatened by deterioration of services in hospitals and lack of access to doctors billing at OHIP rates.

"We are opposed to any form of extra billing by doctors, to extra fees being charged to chronic and other patients, and to the unfair OHIP premiums. We already pay a lot in taxes and we insist that the government acts to provide needed hospitals and health services and to ensure that everyone has full health insurance coverage."

I have appended my name to this petition. Before bringing it up to the table I just wish to say thank you to some of the New Democrats who are here in the chamber today who have helped, with many thousands of others, to bring to the Legislature the opinions of more than a quarter of a million Ontario residents on the deterioration of health services.

Mr. Stong: Mr. Speaker, I have a petition which contains 10 pages of names, so it's somewhat more modest. It is directed to the Lieutenant Governor and the government of Ontario: "We, the undersigned, petition the government of Ontario to apply Wintario funds to support our hospitals and medicare throughout the province of Ontario." Mr. Speaker, I submit that petition.

Mr. Wildman: Mr. Speaker, I have a petition signed by 8,311 residents of northeastern Ontario, addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows: We protest the government's restraint program for health care. The quality of health care in Ontario is now threatened by deterioration of services in hospitals and associated agencies. We request that northern Ontario be recognized as a unique region. We pay the same premiums as residents in the south yet do not receive the same services. In this respect, we insist the air ambulance services be reinstated for nonemergency referrals and greater assistance be given to specialists locating in isolated communities.

"We are opposed to extra fees being charged to chronic and other patients. We already pay a lot in taxes and we insist that the government act to provide needed hos-

pitals and health services and to ensure that everyone has full health insurance coverage."

Mr. Cooke: Mr. Speaker, on behalf of the member for Windsor-Sandwich (Mr. Bounsall), myself and all the people of Essex county, I would like to present a petition with the names of 26,603 people who care about our health-care system, unlike that government.

Interjections.

Mr. Cooke: You people are awfully upset about something today. The petition reads as follows: "We, the undersigned, beg leave to petition the parliament of Ontario as follows: We protest the government's restraint program for health care. The closing of beds in Windsor without the necessary alternative forms of care, such as chronic home care, adequate number of nursing home beds and the quality of regulated rest homes, has resulted in overcrowding of hospitals to the point where patients have been stacked up in hallways and emergency rooms, putting people's lives at risk.

"We are opposed to any form of extra billing by doctors, to extra fees being charged to chronic and other patients and to the unfair OHIP premiums. We insist that the government act to provide the needed hospitals and health services to ensure that everyone has full health insurance coverage." There are 26,000 names.

Applause.

Mr. Speaker: Order. I am sure our visitors will be happy to know they are welcome here, but no outbursts or applause or anything of that nature is allowed within this chamber.

Mr. Cassidy: They worked hard, Mr. Speaker. They deserve it.

Mr. Speaker: It little behooves the leader of the New Democratic Party to encourage that kind of thing.

INTRODUCTION OF BILLS

ENVIRONMENTAL RIGHTS ACT

Mr. S. Smith moved first reading of Bill 185, An Act respecting Environmental Rights in Ontario.

Motion agreed to.

Mr. S. Smith: The purpose of this bill is to provide for environmental rights in Ontario. The bill permits an action to be brought in the Supreme Court of Ontario by any person for the protection of the environment. The bill also provides for public notice and review of certain approvals, permits and other environment-related orders before the approvals, permits or orders come into force.

Other provisions of the bill provide for public access to information relating to environmental decisions and for regular review by the Environmental Assessment Board of all regulations affecting the environment.

LABOUR RELATIONS AMENDMENT ACT

Mr. Van Horne moved first reading of Bill 186, An Act to amend the Labour Relations Act.

Motion agreed to.

Mr. Van Horne: Mr. Speaker, the purpose of this bill is to prohibit the employment or use of strikebreakers in the course of a lawful strike or lockout. It is hoped this type of legislation would preclude needless violence and deaths, such as that of Mr. Illingham in Simcoe, Ontario, this summer.

EDUCATION AMENDMENT ACT

Mr. Bounsall moved first reading of Bill 187, An Act to amend the Education Act, 1974.

Motion agreed to.

Mr. Bounsall: Mr. Speaker, the purpose of this bill is to require school boards in Ontario to develop definitive, orderly procedures and rational policies for determining in this period of declining enrolment whether or not schools should be closed. All procedures and policies must be approved by the Ministry of Education and a full moratorium on all school closings will be in effect until such approval is received. The bill contains requirements for full public hearings at all stages and the provision of all information by the board to affected citizens, including financial and social effects and a complete survey of alternate choices of education likely to be made by parents in the event of a community school closure.

Should a board decide to close a particular school, provision is made for an appeal to the Ontario Municipal Board, which shall consider all matters that were before the school board and the public hearings.

Although I have an excellent resolution standing in my name on the Order Paper requiring the government to bring in as amendments to the Human Rights Code the recommendations that are contained in the Ontario Human Rights Commission's report, Life Together, I will proceed with the bill I have introduced today on December 6, when my slot for private members' bills comes up for debate.

If I could just add one more thought—

Mr. Speaker: The honourable member has given us quite a clear and full explanation of the intent of the bill.

Mr. Bounsall: I would just like to say that I have plagiarized most of this from the minister's opening statement on pages 112 to 116 to the estimates committee a week ago.

Mr. Speaker: Your sources are your own business.

[3:45]

ORDERS OF THE DAY

COMPULSORY AUTOMOBILE INSURANCE ACT

Hon. Mr. Drea moved second reading of Bill 160, An Act to provide for Compulsory Automobile Insurance.

Hon. Mr. Drea: Mr. Speaker, I would like to make a few remarks. This is really an historic bill. It brings to an end the motor vehicle accident claims fund, or the unsatisfied judgement fund, as we know it.

I want to make a few remarks about that fund, because notwithstanding its present difficulties—I imagine there is going to be utter silence in the House when I tell the House what its present difficulties are—notwithstanding that, over the years, that fund increased substantially. Bear in mind, from 1958 to 1961 it was $5 for an uninsured vehicle, $20 from 1962 to 1966, $25 from 1966 to 1973, $40 in 1973, $60 in 1975, $100 in 1976, and $150 from December 1, 1979.

Over a period of years the fund was in receipt of over $200 million and paid out some $181 million, leaving a theoretical balance of $29 million with the Treasurer. In that period of time it did yeoman service in the province. It provided payments to those who otherwise would have had difficulty getting any payments. It brought in the concept of almost self-insurance by the driver in paying the annual supplement to his driver's licence fee to protect himself against stolen cars or the hit-and-run auto—a function, incidentally, that will continue—but obviously the MVAC, or the unsatisfied judgement fund, has outlived its usefulness.

Were it an insurance company being regulated by my ministry it would be declared insolvent; it would be declared bankrupt and we would begin wind-down procedures. The truth of the matter is that in this fiscal year, there will be better than $52 million direct operational losses. Had we operated this government fund as we insist that others do under insurance principles, the actual deficit as of July 30, 1979, was somewhat in excess of $21 million.

It is a matter of record that this fund no longer even serves as a deterrent. Realizing some of the financial difficulties of the fund, last year I raised the fee from $100 to $150. The response from those in this province who prefer not to have insurance was rather dramatic. From 74,000 who had paid the $100, we dropped down to 42,000 who were willing to pay out $150 as a penalty for not accepting their responsibility to carry public liability and property damage insurance.

In short, even if we are to raise the penalty fee to double, triple, or quadruple, the only thing that would occur is fewer and fewer would pay it. I doubt seriously if any of those who ducked out on the raise from $100 to $150 ever showed up with an insurance company. If we went to $500 or $600 or $700 a year—which indeed would be more than they would have to pay for an insurance premium—we would be getting very little money into the fund and we would still be having to pay out on a rather substantial basis, particularly when we have no idea of the coverage or payments we are liable to provide because we don't know the number of people who choose to totally ignore their responsibilities to themselves, their neighbours and the community by deliberately not having insurance.

I've given this report on motor vehicle accident claims because from time to time there is the comment that compulsory insurance cannot guarantee that on each and every moment of each and every day, all motorists in this province will be insured, and since the present system seems to be working, why change it?

The simple fact is the present system is not working. Were we not making a change, I would be before the members before the end of this session to ask for supplementary estimates in the range of $2.5 million.

Mr. Speaker, the budget of next year would hardly be dry before I would be back again to ask for more supplemental estimates and that pattern would continue. Bear in mind that many of the claims we are settling now are for 1977 and 1978. Bodily injury claims are not the cheapest; indeed, they are the most expensive. They take a considerable amount of time to finalize. I want to put to rest the comment that the present system is quite adequate and sufficient. It may have been at one time but it certainly isn't now in terms of motor vehicle accident claims.

As a matter of fact if all goes well, it will take two years of using the driver's licence contribution—that $1 a year—to stabilize that fund. With some good claims experience, with our reserve being a little more adequate

than we would allow or would think about in the private sector and with the collection agencies beginning work early in the new year on somewhere between $40 million and $50 million worth of unpaid amounts into that fund, hopefully we will be able to put it into a solvent position operating on that $1 a year, the driver's licence contribution rather than the penalty, we should be able to provide protection to the people of Ontario against only the stolen car and the unidentified driver.

I believe this is historic legislation because it is a reaffirmation of a very fundamental principle in our society, that a person must be responsible if he or she is going to enjoy the privileges of our society. If one has enough money to buy or operate an automobile, then one has enough money to purchase insurance to cover the liability to those who will be the innocent victims of the operation of that motor vehicle.

Mr. Speaker, you hear people say, "I can't afford insurance. We shouldn't be forced into compulsory insurance." I have never heard a single person say to the bank, the finance company, the leasing company, "I can't afford to buy collision insurance to protect your chattel and mine." It's always on the other side.

Mr. Laughren: That's silly.

Hon. Mr. Drea: It's not silly. Can the member show me one person who has ever said, "I will not borrow from your company because you make me buy collision insurance to protect the chattel"? Can he show me one? If that's the case he's not driving. He will protect his own chattel, he will protect the bank and not raise any objections but he will not accept his responsibilities to the rest of society.

Mr. M. N. Davison: That's a very gratuitous comment.

Hon. Mr. Drea: It's a very accurate one.

It is a matter of responsibility. It is a matter of purchasing insurance to the minimum standards set by the province, which is $100,000. Indeed, in today's society it is not really very much, but it is something that is required more and more. It is something that one will be very easily able to do. I want to compliment the industry for the resources, including the financial resources but particularly the human resources they have devoted to the establishment of the Facility Association. This will provide a very accessible and very fair method of insurance purchase for motorists in this province, even for the worst of drivers, the highest risk motorists. Were it not for the industry, and the resources it has devoted to it, I think we would not have as good a system; certainly the taxpayer would have had to pay to have that system developed.

Secondly, I would like to compliment the agents of this province.

Mr. Laughren: I'm glad you're proud of them.

Hon. Mr. Drea: I am very proud of the insurance industry of this province. I will take your Saskatchewan wand, or whatever is left of it, and I will compare it any day on a number of tests and we will find—

Mr. Laughren: Let's do that.

Hon. Mr. Drea: Oh! Yes, we will. We will test it for solvency. I would like to see their figures and so would the rest of Canada.

I make no bones about it, I am very proud of the 183 insurance companies of this province which offer coverage. I am also very proud of the agents in this province. They have devoted considerable time, notwithstanding the fact that at the very same time that we were bringing in compulsory insurance they were also developing a self-regulatory procedure for the future operation of their industry through RIBO, the Registered Insurance Brokers of Ontario.

The agents faced a very formidable task since the beginning of this year in taking themselves out of totally government regulation into self regulation. Notwithstanding that, notwithstanding the great energy and resources that had to be devoted to them, I commend them for taking a day-to-day interest in the evolvement of this legislation, in holding the seminars and the information sessions for agents. So that indeed, for normal people in this province, and to motorists, this bill will show very little difference in the procedures that have gone on in the past.

I would like, in closing, to mention a couple of items, because I want to make them very clear. Anybody who has one of the quarterly plates has to renew a quarterly plate for the last part of the year; notwithstanding the fact they may have paid a penalty before for not having insurance, after December 1 they will have to have insurance in order to get that plate.

I assure members that I have some concerns about the practice of people with commercial plates; and I am not necessarily talking about private vans but of people who in the past were operating businesses using trucks with commercial plates and paying a penalty fee. That, I must admit, had escaped my knowledge; and I presume it also

escaped the knowledge of most of the Legislature, because I notice in the very voluminous work that was done by the select committee in its two reports that this question of trucks—at least the lighter trucks, perhaps not the PCV—the arrangement under which they could merely pay a penalty fee, while at the same time operating a business or having it as part of a business, was not dealt with. I am glad that this, quite frankly, is coming to an end.

[4:00]

I have the utmost confidence in the ability of the industry to absorb the "question mark" number of motorists who will be buying insurance for the first time. I don't even think the select committee, with all its knowledge and all its actuarial attempts, nor the industry, nor anybody, really has a handle on how many motorists do not have insurance on any given day. We know at licence-plate time 95 per cent or 96 per cent do have it; there are varying suspicions as to what goes on after that. In any event, on a very conservative estimate, at least 250,000 drivers will be buying insurance for the first time.

I'm very confident about the ease with which they will be absorbed into the system and the ease with which they will accept their very fundamental responsibility to be in a financial position, as best they can be, to protect the innocent from whatever might happen as a result of their operating a vehicle, as well as to protect the people in the vehicle they are operating from whatever might happen in an accident. I think it will be handled very quickly, very efficiently and without any disturbance to the vast majority who have had car insurance as we know it for so many years.

Because of the length of question period today, and because I know others want to speak on it, I will just close with this. We have followed as much as possible—and I want to compliment them—the work of the select committee on company law. Without their guidelines, without their advice, without the work they did, the evolution of this legislation, which I concede is long overdue, would have taken even longer. Quite frankly, it is relatively easy as a minister to develop legislation when you have something put in front of you as straightforward, as clear and as incisive as the work of this select committee. I compliment them and, although they have gone on to other areas in the field of insurance, they will follow this model and that they will be as concise, as incisive, as efficient and as stimulating as they have been in the past.

Mr. Breithaupt: Mr. Speaker, as the minister and many other members of the House are well aware, I'm delighted to speak on behalf of my party with respect to the second reading of Bill 160.

As the minister mentioned, the select committee on company law has had the study of insurance generally, and of automobile insurance particularly, before it during two years of sessions. The first report of that committee, under the chairmanship of the member for Wilson Heights at that time, Vernon Singer, was delivered to the House on March 28, 1977. That committee was organized in May of 1976 and there was a substantial amount of time spent on public hearings during the summer of 1976.

The report was written in January of 1977 and it focused on a number of particular subjects. The subjects dealt with were not only the standard automobile policy, premiums and claims, but also, which was very important from the point of view of the select committee, the report dealt with the subject of compulsory third party liability insurance.

I must say that many of the leaders of the insurance industry and its various groups are under the Speaker's gallery at the present time. As I look at these familiar faces watching this bill finally come into law, I think it is fair to say, from all members of the select committee, that the various component parts of the insurance industry were ready, willing and able to bring us all the information that was asked for. Indeed I'm sure many members of the committee found out more about automobile insurance than they really wanted to know.

In any event, in that report, I would refer briefly, for the interest of the members of the House, to chapter 24. There are only four pages, but they deal very well with the particular principle of compulsory third party liability insurance.

There is one quotation I would like to make from that chapter, dealing with the original recommendation which the committee made on page 173. It is as follows:

"The committee strongly recommends the enactment of legislation requiring that every person who owns a licensed automobile have a valid policy of automobile insurance providing third party liability coverage and accident benefits coverage. The principle on which compulsory automobile insurance is based is that every person who owns an automobile that is used on public roads has a moral obligation and ought to have a corresponding legal obligation to bear his fair share

of the losses that are incurred on the roads, and should be entitled to benefit from the payment by other automobile operators of their fair share of such losses through their insurance premiums. This principle of reciprocal benefit and obligation is so axiomatic that it should hardly need argument or justification in order to be accepted."

That was the principle upon which the committee relied in dealing with this whole idea of compulsory automobile insurance. There were two particular groups that had to be referred to once that principle was accepted by the committee.

The first dealt with self-insurers, that is to say the very large companies, or sometimes agencies of government, which simply dealt with claims on an annual basis, paid them as they occurred and did not have insurance coverage as such for their various fleets of vehicles. Examples would be the railways or Bell Canada.

The second area of interest was that dealing with a very small group, almost the complete opposite of those large fleets; that was the small group of conscientious objectors from the Conservative Mennonite Churches of Ontario.

I must say that it is a pleasure to see that in the legislation we have before us we've had the opportunity to deal with both of those sides of the issue.

The matter of self-insurers is dealt with promptly in the bill, and I'll refer to that later, and of course the opportunity exists under the exemption portion of the bill to attend to this other small but meaningful group whose traditions in my opinion have earned them the opportunity to be dealt with in a somewhat separate way, but a way which will protect the public interest.

For the matter of conscientious objectors, as members might wish to refer to that chapter, the objection is really that the purchase of insurance was something they felt was a constraint upon their traditional point of view. A bond or guaranty is the kind of thing that they have been able to accommodate in other branches of the group, and in certain of the northern United States. Copies of that material were provided to the superintendent's office with the hopes that some similar type of arrangement, on a clearly known basis with the names of those persons who would particularly be involved, could accommodate this small, perhaps 100- or 150-driver population who were of this particular opinion.

We've had the opportunity, in the legislation, to therefore see these two particular themes attended to with the hopes of their being finally accommodated.

The matter of the first report, as I say, was brought to the House in March 1977. While there were comments that the principle of compulsory automobile insurance was a theme that the government was particularly prepared to consider, we on the select committee obviously had to take the next step, that is to consider how this kind of project could be enforced.

The members of the select committee spent the summer of 1977 reviewing the proposal further, and in preparing for their second report dealt with the subject of enforcement of compulsory insurance. This was the first year I had the privilege of chairing the committee. I was most pleased at the efforts made by all members of the committee to complete the report and substantially agree on a variety of the recommendations, particularly those dealing with the prospects of enforcement.

Having asked for compulsory insurance, it was now beholden on the members of the select committee to seriously and responsibly suggest how it could be accomplished intelligently. A major portion of the second report, which was tabled in the Legislature on June 22, 1978, deals with that particular theme.

The enforcement of compulsory insurance is particularly referred to on page 157, in the summary chapter of conclusions and recommendations. I would refer you, Mr. Speaker, and the members of the House, to three of the recommendations made in chapter one at that time.

The fifth recommendation was as follows: "The committee is convinced that the basic requirement of an effective compulsory insurance system is that all vehicles must be insured and remain insured for as long as they are licensed. This requirement can be fulfilled as follows: (a) All vehicles which require vehicle licences should be required to carry the minimum third party liability insurance and accident benefits coverage; (b) private corporations and government bodies whose activities are substantially commercial should not be excluded from the requirement to provide proof of insurance for their motor vehicles; (c) the present exemption for government should be reviewed so that only federal and provincial government ministries, departments and agencies not engaged in commerce would be considered to be exempt from compulsory insurance, municipalities should be required to provide proof of insurance; (d) exemption from the principle of compulsory automobile insurance should be

granted to those religious groups able to demonstrate it is against their fundamental religious conviction to rely upon the automobile insurance system. This exemption is conditional upon the applicants establishing that the losses which they occasion will be paid as fully as though they were insured under all compulsory forms of insurance."

The seventh recommendation was this: "Regardless of the compliance procedures that are introduced, there will always be uninsured vehicles. Accordingly, provision should be made for significant minimum penalties for noncompliance. The penalty for not having insurance or falsifying insurance is suggested to be a minimum of not less than twice the approximate cost of the insurance and should include licence suspension."

The eighth recommendation was this: "The committee has concluded that there is value in setting out clearly in the Insurance Act specific authority of the police to stop a vehicle for the purpose of checking for compulsory insurance coverage and recommends that the minister make such changes to the act."

Those are three of the particular recommendations in the first chapter of the second report which suggested a framework in which enforcement of automobile insurance might be accommodated.

In the second chapter we looked into some of the implications of compliance with respect to the operations of companies within the province. In the third chapter we were more particularly interested in ensuring the availability of insurance to all the drivers in Ontario. In the fourth chapter we talked about the motor vehicle accident claims fund.

The minister has reviewed the background and framework of the claims fund. All members of the House are mindful of the necessity of keeping this fund going because of the problems that hit and run or stolen cars will occasion, and because of the requirements of those drivers who may be driving with suspended licences and no insurance in spite of the law that has been passed. So the enforcement of this program was something which the committee seriously considered. [4:15]

In between the first and second reports we had the opening of the second session of our present 31st parliament. In the speech from the throne which Her Honour gave to the members of the House on February 21, 1978, the following paragraph occurred:

"My ministers have approved in principle the introduction of compulsory automobile insurance in Ontario with a view to implementation in December 1979. The program, to be developed by the Ministry of Consumer and Commercial Relations, will take into account recommendations of the select committee on company law whose report on the enforcement aspects of such a plan is expected soon."

As I mentioned, this came in between the first and second reports, and indeed it was encouraging at that time to have the commitment of the government that a program was going to be considered, sorted out and implemented in deliberate course, recognizing that it would necessarily take some time to deal with the particular problems.

Mr. Roy: What was the date of that statement again?

Mr. Breithaupt: The date, for my colleague from Ottawa East, was February 21, 1978.

It was important, of course, for us to realize that the implementation of compulsory automobile insurance was something which was going to have to be thoroughly considered by the various ministries involved. A committee of deputy ministers was formed, including representatives not only from the Ministry of Consumer and Commercial Relations, but also from the Ministry of Transportation and Communications, and I believe also from the ministries of the Attorney General and the Solicitor General. These individuals have been meeting with support staff, and also with me as chairman of the select committee, so that we could be assured we were both proceeding at least generally along the same course. It would have been most inappropriate, I think, if the select committee had been going off in one direction on enforcement and if the interministerial committee had been looking at it from an entirely separate point of view.

It was indeed fortunate that the work which had been done by our committee was found to be of interest and of use to the interministerial committee, and I believe their deliberations took into account many of the other details that we may not have been entirely familiar with on the insurance basis and which had to be attended to.

The minister has mentioned the matter of the commercial vehicles on a short-term licence, which is a particular matter that has to be attended to; in addition, of course, the use of some sort of a sticker approach on the licence plate or on the windscreen, as has been done by a variety of states within the United States, was the kind of thing that had to be sorted out in a practical way. That was the function of the interministerial

committee. Those decisions will eventually come forward in the form of regulations and will be dealt with and phased in during this next licence year.

We then had the commitment made by the government that this legislation would be coming forward. Of course, it had been hoped that perhaps early this spring we might have had the opportunity of having a draft bill before us so that the various component parts of the industry, as well as members of the House, would have had a chance, possibly over these past summer months, to consider this legislation in an almost final form; however, that was not possible. We then saw as our next opportunity that legislation might be in our hands as soon as we returned in October.

The legislation, as you will recall sir, was in fact introduced on November 2 and copies of the bill were available to interested persons and organizations in the insurance industry on November 6. On that date I sent out some 80 copies of the bill to a variety of interests, and I presume they had a chance to see copies earlier as well and were all involved.

Hon. Mr. Drea: As well as the Advocates' Society, the commercial section of the bar.

Mr. Breithaupt: Oh, yes. There were many groups, of course.

Hon. Mr. Drea: Prior to its being drafted.

Mr. Breithaupt: Yes, there were many groups involved and I am sure recommendations have come back. I recall speaking with the superintendent of insurance when we were both in Windsor a week ago attending a conference on insurance matters. He commented in his affable way that this was perhaps the 21st draft of the bill. I have no doubt a tremendous amount of work has gone into reviewing and refining the details with the hope that good legislation will result from the deliberations which the House is now undertaking.

Interest in compulsory automobile insurance has developed and was seen in a variety of editorial comments and other comments that were made once the bill was before the House. In the Hamilton Spectator on November 6, the comment was as follows: "Compulsory auto insurance won't put an end to reckless driving or to accidents, but will go a long way towards ensuring that the victims of motor vehicle accidents will receive fair compensation and that the most irresponsible drivers at least will be forced off the roads."

If I had to sum up the several volumes which were written on this subject by the members of the select committee, I could do no worse than copy a paragraph like that, because that's really what it's all about. We do want fair compensation, and in that respect I must suggest the policy limits of $100,000 in Ontario are, I believe, the highest in North America.

There are many states in the United States that are on the old basis of $5,000 and $10,000. There are some that have got up to $20,000. Indeed when one looks at the framework of insurance within Ontario, the commitment of the $100,000 basic figure is the best there is. I am not saying for one moment that it is perfect, and I don't think anyone in this House would think it is, because there is, unfortunately, the occasional exceptional accident which will leave a tremendous burden on an individual. But in the basics we've been able to accomplish within the system we have, or within the variety of systems that exist throughout Canada and the United States, I believe there is some commendation which can go to the ministry, not only for accepting the select committee's recommendation that that be the limit, but also for going ahead and doing it. I believe that credit should be given in that instance where it is clearly due, to the superintendent of insurance and those who are involved in his portion of the ministry, and as well to the leaders within the insurance operations within Ontario.

Mr. Speaker, you are probably wondering whether I am going to speak on the bill. I can assure you I am about to start just right about now. The estimate of the numbers of people who are going to be involved by the passage of this legislation was referred to in the second report of the select committee at page 6. The figures, as commented upon by the minister, were the best guesses we could make at the time. He is correct that other than the actual days when a person might choose to have insurance in force for the obtaining of a licence, no one really knows how many people are on the roads of this province without proper, thorough and consistent automobile insurance coverage.

As I say, at page 6 of that report, we looked over the 4.6 million drivers within the province and came to a conclusion that perhaps some 10 per cent of that figure certainly had periods of time during the year at which they were not insured. About three of those 10 were paying the $150 figure, in total some 140,000 drivers.

Another one and a half or two of those percentage points are certainly going to be picked up by this legislation. We recognize that as the fee for the motor vehicle accident claims fund increased not necessarily every-

one took advantage of paying that fee or buying insurance. Obviously, a goodly number of people managed to avoid doing either, and there is no point in pretending otherwise. The falling number didn't necessarily mean that more people were being insured, although I would hope at least some were taking on that responsibility.

We are looking at the other, I suppose five per cent of those 10, the last five per cent of the drivers within this province who have not ordinarily paid insurance premiums, and indeed may attempt to avoid doing so. We have to deal with those people in a thorough and serious way by making sure the enforcement provisions in the legislation are not only standard and easily followed by the police authorities, but that the penalties occasioned by their abuse be enforced and get their attention.

The principle of compulsory insurance is dealt with quite simply, quite briefly, in section 2 of the act. We see that no owner of a motor vehicle shall operate the motor vehicle or cause or permit the motor vehicle to be operated on a highway unless the motor vehicle is insured under a contract of automobile insurance. Of course we have those two exemptions to which I referred earlier on; the matter of self-insurers, which is dealt with, and the matter of conscientious objectors who can be accommodated satisfactorily under subsection (a) of section 15.

It is my view that we have legislation before us which is basically quite good, but which obviously can still use a few improvements. Therefore I think, and I understand it's also the opinion of the members of the New Democratic Party, that this bill should go briefly to a standing committee, hopefully for a day, at which time the clause-by-clause discussion of the bill will allow a number of areas to be reviewed, and in my view some matters corrected.

We look at the first offence provisions. For example, in section 2(3)(b), and as well in section 3, I think something can be discussed in the committee stage on the idea of giving a certain period of time to provide the insurance coverage. These fines are substantial and it may well be that members of the committee, the standing committee on justice I would presume, may have questions to ask with respect to the possibility of a 24-hour rule or something like that. I don't know if this sort of grace period, as opposed to having to have the card with a person at all times is practical or whether it lends itself to some abuse. It is only a suggestion that I think is worthy of a bit of discussion.

In section 6 we deal with the penalty provisions, and I presume those penalty provisions referred to are the ones attended to in section 14.

In talking to the principle of the bill, I am concerned about the service of documents on the Facility Association. It seems to me the way section 8 has been developed, service on the directors or on officers, as opposed to some more clearly defined address which can be dealt with by regulation, is somewhat awkward. I am interested in looking at the approach which will allow the superintendent of insurance, in section 10, to set insurance rates. Certainly this is quite a change from those two sections of the insurance bill that have been referred to in earlier reports which have never been proclaimed.

[4:30]

The duty to set rates is going to be an important responsibility which the superintendent has. The committee might want to consider the whole opportunity of the allowance or disallowance of rates, based upon the approach which has been taken in a number of other provinces. It has an opportunity to look at the system the Alberta rating board has to approve or disapprove rates after discussions.

It may be that in this approach we are giving one person full control over all rates, if there are no insurance rates which are going to be higher than the Facility Association rates. I believe traditionally the Facility Association or the residual market rates have ordinarily been the highest rates. The setting of those highest-rate categories could impose a domino effect on the other rates which insurance companies may charge for their variety of coverages. It is an interesting theme which can be talked about, I am sure, at some length in another place.

The matter of self-certification is one which is referred to. Certainly the approach the people of Ontario have taken over the years has been to responsibly insure themselves to that level of 90 per cent or so. I think the approach to self-certification, in the framework which we have in the province, is going to be a balanced way of dealing with insurance coverage. Certainly the penalties there are substantial ones which should get the attention of any driver or insurance agent or company that gets mixed up in providing information in an improper or incorrect form.

There are two themes I think should be referred to at this point because I believe they may be errors in the act. I refer to section 16, the matter of amendments to the

Insurance Act. Section 214 of the Insurance Act is said to be repealed by this section. I put it to you that the simple repeal of that section may not be what is wanted at all. Section 214 states:

"The insurer is not liable under a contract evidenced by a motor vehicle liability policy for any liability: (a) imposed by any workmen's compensation law upon any person insured by the contract; (b) resulting from bodily injury to or the death of any person insured by the contract; or (c) resulting from bodily injury to or the death of any employee or of any person insured by the contract while engaged in the operation or repair of the automobile."

That breaks down roughly into three themes. The first is workmen's compensation coverages; the second, the husband-and-wife situation; and, third, the matter of the mechanic in the garage driving your car around the block to test it out.

I suggest it would not be a good idea to repeal the subsection dealing with the Workmen's Compensation Board. I think it is satisfactory to deal with the husband-and-wife situation and it may be reasonable to repeal the garage mechanic idea, but it would be, at least in my opinion, an error to repeal the Workmen's Compensation Board subsection unless the matter is dealt with elsewhere. If it is, I am not aware of it.

A second possible error that may exist in the bill deals with the reprinting of section 230. Members will note, if they look at the bill, that this is a particularly involved section, but it would appear that a subparagraph on page 13 of the bill is one that should have been reprinted as well on page 12. This can be dealt with in committee because it's the subject which is referred to in the following terms: "Where such director or officer or employee or the spouse of such director or officer or employee is not the owner of an insured automobile."

This subparagraph appears under the numeral 2 of subsection 2(b)(iii)(c) in part of a section which I think should have been reprinted as well under the previous numeral 2. It's a detail which is perhaps difficult to explain, but one which the committee may be able to tidy up, if that is the case.

I do welcome the provision of this legislation. It is indeed a substantial step forward and the minister is to be commended for pursuing the topic, which has not been an easy one. This is a ministry that covers nearly everything under the sun, as I have found out in the last year or so as the critic for the ministry.

Mr. Ruston: If no one else wants it they give it to him.

Mr. Breithaupt: It's almost that way, because when one looks at the Order Paper the securities bill is there; there are some registry office bills; there's a condominium bill; and a variety of other things difficult always to put to one's mind. But in this bill we're dealing with a particular theme, one certainly whose time has come. The prospect of having more persons driving on the roads properly insured, properly paying a fair rate for the kinds of coverages which we in Ontaio believe should exist, is one that I welcome.

Over these past three years it's been an important part of my life to have been involved with the work of the select committee and with the subject of automobile insurance, as well as the general coverages and, of course, the life insurance the committee is reviewing at the present time. The first two reports were seriously put together with the assistance of our consultants and counsel, as well as with the active involvement and interest of all members of the committee. I believe a very happy day will occur when again another series of recommendations is accepted, as this bill accepts them, and when legislation will be brought into place in Ontario.

I certainly have welcomed the opportunity of speaking in favour of this bill and I hope the minister will be able to accommodate not only speedy passage on second reading today, but perhaps a day in committee so the legislation will be in place by December 1.

Mr. M. N. Davison: I consider it an honour, a privilege and a treat to enter this debate right after the member for Kitchener, who serves in the capacity of chairman of the select committee on company law and who I hold personally responsible for many of the innovations with which the minister has finally moved ahead. I just want you to know, Mr. Speaker, that a bit later in the debate I intend also to quote from chairman Breithaupt's big red book on the auto insurance industry.

It's an interesting comparison today, on a day when we saw presented the largest petition in the history of the Legislature, over a quarter of a million names of people who are dissatisfied with the way government is handling health insurance. As a footnote, it would probably be equally easy to find in short order to sign petitions an equivalent number of people who are fed up and unhappy with the way this government is mollycoddling the auto insurance industry in this province.

The issue was raised by the member for Kitchener regarding the long time it has taken the government to move from a commitment that's almost two years old—February 21, 1978, through to introduction of the legislation on November 2. It's rather interesting to view that against the defects that still are visible in the bill, even after almost two years of circulating about, drafting and redrafting within the ministry. I realize the minister stated back in 1978 that he wanted to have it in place in December 1979. I'd heard at one point that he had set the date as December 1, 1979. That's correct, is it?

It's sort of interesting because I'm not exactly sure how it is we arrived at this 11th-hour position dealing with Bill 160. We have what I am sure the minister will admit is the most significant initiative of the fall session—probably of the last year—as far as the minister is concerned, in terms of legislation and certainly within the insurance industry.

The minister then puts us in a position where on November 20 we are just starting second reading of this bill. We have to go through second reading, through committee stage outside the House—which hopefully won't take too long—and come back for third reading and royal assent. All of these are necessary steps of legislation which would mean if he still intends to have it in place by December 1 this year, he has given the assembly a week and a half to deal with an important piece of legislation. I really can't understand why the minister would do that and why the minister would put such a rush on to the Legislature at the last minute for a bill that is clearly not good enough.

I know the professionals who work in that ministry and I know they couldn't be guilty of such poor planning and timing. I wonder what the reason is for this kind of manipulation of the Legislative Assembly.

I want to tell the minister through you, Mr. Speaker, that it's nothing new. For years members of this assembly, organizations and individuals throughout the province have been arguing and building a very strong and convincing case for compulsory automobile insurance and the government has never acted on those requests over all that period of time. It was a case of continual footdragging on the part of the government in this area.

The member for Kitchener quoted from the first report on automobile insurance the select committee on company law had put out during the terms of his predecessor in the chair, Mr. Singer. He quoted from the top of page 173. There is an interesting quotation further down that page which predates by some time the recommendation of the select committee and the quotation from the McWilliams report that was done for the ministry back in August 1972. It puts forward a similar argument to that put forward by the select committee. I quote:

"The time is past when anyone can seriously argue the proposition that all persons operating a motor vehicle should be covered by public liability insurance. From the frequency of requests from people who appeared before us throughout the province —and these were members of the public, agents, adjusters, solicitors and insurance representatives—we think that the people of Ontario would accept, if not demand, the requirement that all persons owning a motor vehicle in Ontario should be insured. There is no longer any justification for permitting a man the choice of insuring himself or paying a fee in lieu of into the motor vehicle accident claims fund."

That was in August 1972, some seven years ago, and there were many reports and arguments put before the government, but it just let it drag on and on. That was really the most unbelievable sort of negligence on the part of this government over the past decade and more.

The member for Kitchener talks about defects in the bill; there are numerous defects in the bill. Hopefully we will be able to repair some of those when we go to committee. I know it's not appropriate to get into sections of the bill during second reading but one of the broad areas that concerns me is the rather light level of penalties and fines imposed on insurance companies that are found to be violating this new legislation. That's one area in which the bill is defective and one area in which we're going to have to have amendments to have that area tightened up.

[4:45]

In this party we welcome the introduction of compulsory auto insurance and we're going to support the bill, but I've outlined three areas of criticism which I'll summarize.

The first criticism is that the ministry announced this initiative two years ago, and then waited until we were in a position when there was only a week and a half to deal with this important piece of legislation. I think that's shoddy.

The second area of criticism is that, given the obvious need for this kind of legislation over such a long period of time, I cannot understand why this government has tried to be the last state in the civilized world to introduce compulsory automobile insurance.

Mr. McClellan: Not tried—we are.

Mr. M. N. Davison: One wonders some days.

My other concern, which I think is a legitimate criticism, is that we're going to have to amend this bill in committee to make it at least passable in terms of being a good bill.

There's also another area of criticism I have. It concerns the blind and totally unjustified faith of this minister and indeed of all the members on that side of the House, as well as a couple of members to my right, in the private automobile insurance companies. Their faith in those companies is not justified. The minister should know that.

No matter which way the minister reads this legislation, no matter the kind of gloss he tries to put on it, consumers in the province are going to be paying more money to private auto insurance corporations' profits. That's what the minister is asking the consumers of the province to do: to give more profits to the private auto insurance corporations. When he does that, he puts consumers in the province at the mercy of private auto insurance corporations. When I think of those companies, when members on this side of the House think of those companies, and when the public thinks of those companies, mercy is not the first quality that jumps to mind. I understand that, and I think the minister should understand that.

Time and time again in this House and in the community we've seen examples of those auto insurance companies ripping off and gouging consumers in this province, and the minister is aware of that.

The minister will recall that we've had debates on the budget and in his estimates where it has been shown that those auto insurance companies ripped off the consumers of this country and of this province to the tune of millions and millions of dollars, with their ripoff techniques and their needless gouging of consumers.

The minister will remember that every year it was in operation the Anti-Inflation Board had to order those insurance companies to give back millions of dollars to the consumers. Does the minister remember when the AIB reported in 1977 that one insurance company—Allstate—had gouged consumers to the tune of $15 million all by itself, never mind the rest of the auto insurance companies?

The minister knows that, given a chance, those auto insurance companies will go after the consumers once again and gouge them. Boy, has the minister given them that chance by bringing in this bill; and, believe me, they're going to take him up on it. The minister is going to be responsible when consumers have to pay more for auto insurance that isn't even adequate.

The minister is obviously the only minister who has anything like the responsibility or an obligation in that government to protect consumers. There is not another minister on that front bench or in the second row who has any interest whatsoever in protecting consumers. We see that daily.

If there is any minister over there who is supposed to have the responsibility of protecting consumers, it's the Minister of Consumer and Commercial Relations. I suggest he pay some attention to that responsibility, the responsibility of protecting consumers, instead of to some desire to assist people in the auto insurance industry to engage in continuing the highway robbery they perform.

Time after time, whenever we come to an area of consumer protection against vested interests, the minister is over in the corporate corner playing water boy. That's wrong.

Hon. Mr. Drea: Me? In the corporate corner? The member has flipped his cork, he really has.

Mr. M. N. Davison: They're not my friends sitting in the gallery in the grey, three-piece suits.

Hon. Mr. Drea: You can't even say it with a straight face. You're breaking up yourself.

Mr. Deputy Speaker: Order.

Mr. M. N. Davison: I don't have any trouble saying that with a straight face. The minister is constantly an apologist for corporate greed, and that's got to stop. He is the minister in that government who should be speaking for the consumer interest. It's about time he started doing that. The consumers of Ontario deserve better than what they're getting from that government and from the Minister of Consumer and Commercial Relations.

Hon. Mr. Drea: They like me.

Mr. M. N. Davison: Who does? The auto insurance industry? They love you. They think you're just a grand fellow. The consumers of Ontario, on the other hand, don't feel quite the same way, I'm sorry to say.

Hon. Mr. Drea: They like me and they have never heard of you.

Mr. M. N. Davison: If the minister will stop interrupting me, I will tell him—if he can control his emotions—

Hon. Mr. Drea: I don't have any.

Mr. M. N. Davison: —it's okay because, fortunately, after the next election there will be a minister sitting over there who is in-

terested in consumer protection and a new government that's interested in consumer protection. It will be a government that's not interested in further padding the profits of private corporations. It will be a fine day. I suggest you call the election as quickly as it can be arranged.

Interjections.

Mr. M. N. Davison: Does the minister want to talk some more about inability to protect consumers? I'd be happy to engage further in that discussion. I've got a few more examples if he'd like to hear them.

Hon. Mr. Drea: Mr. Speaker, I'm sorry. Another member and I were discussing his victory margin.

Mr. M. N. Davison: The consumers in Ontario are going to have neither adequate nor affordable automobile insurance with Bill 160 alone, nor with Bill 160 just added to the rest of the legislation in Ontario. It seems to me to be very clear, and it's very clear to my party and it's very clear to a large number of people in Ontario, that if consumers are going to have adequate and affordable auto insurance, we're going to have to move to public auto insurance in Ontario. If we don't do that, because of this bill we're going to have yet one more scandalous ripoff of the auto insurance consumer in Ontario. I wish the minister wasn't so dogmatic about it, and so rigid ideologically about moving to accept such a good plan and a good idea.

I'm sure the minister would be interested to know—I'm sure he does know—that even the jurisdiction of Tasmania has public auto insurance. Surely this province that is second to no jurisdiction in the world, as the Premier (Mr. Davis) is always telling us—Did you ask where Tasmania is?

Hon. Mr. Drea: I don't know what you're talking about.

Mr. M. N. Davison: I'm telling the minister that all kinds of jurisdictions, countries and states in this world have provided adequate and affordable car insurance for their consumers through public auto insurance plans. Those jurisdictions, which are so less well off than Ontario, have these plans. Surely we shouldn't be lagging behind even Third World countries that are providing that benefit.

Even Third World countries are providing those benefits to their citizenry. My goodness, we have to worry about Ontario becoming a have-not province in Canada; we may soon have to wonder if, under the stewardship of the Conservative government, we're not becoming a have-not province throughout the world. Maybe the government should be writing to the United Nations for some sort of aid if things are that bad.

The idea of compulsory auto insurance provided through private companies is unacceptable to me. The only way we can properly provide and institute compulsory auto insurance is through a non-profit plan. The minister should think about this. It seems to me there is something that offends me morally about any company or individual or group of people engaging in business to make a profit out of somebody else's suffering. That is wrong. It is wrong by my standards and it is wrong by the standards of most people in this province. I think that is an element here that should be considered.

Mr. Laughren: It is doctrinaire and sectarian.

Mr. M. N. Davison: That's right. There is something wrong with an idea that has one seeking to make money from somebody else's injury. I think that should be considered, especially as we move to compulsory auto insurance in Ontario.

Without a public auto insurance plan, bringing in compulsory auto insurance is simply forcing consumers in Ontario to contribute further to the profits of private auto insurance companies. It is just wrong. In Saskatchewan, in Manitoba and in British Columbia in this country, there is functioning, good, adequate, appropriate auto insurance provided to those citizens. Those plans are public auto insurance plans and they are working.

Hon. Mr. Gregory: What happened to the one in BC?

Mr. Laughren: It's still there. They had a surplus last year.

Mr. M. N. Davison: I am being asked, Mr. Speaker, to explain this further, and I intend to do that in just a moment at the request of the fine member for Mississauga East, the minister and his buddies sitting to his right. I will do that in just a moment.

Mr. Rotenberg: We don't need your explanations.

Mr. Deputy Speaker: I would remind the member for Wilson Heights he is not in his own seat.

Mr. M. N. Davison: I want to say these programs are so good and so popular with the people in those provinces that even when the NDP has been temporarily out of power in those provinces, the governments that have taken over in those short periods of time haven't had the nerve to take them away, no matter what their capitalist ideology or no

matter what dogmatic theories they believe in in the market place.

Mr. McClellan: Even a man like Lyon has had to keep it on.

Mr. M. N. Davison: That's right. When the Liberals were in in Saskatchewan, they didn't remove public auto insurance. The Conservatives, who are in government now in Manitoba, didn't remove it, and one can't find any more right-wing Conservative than Sterling Lyon. In British Columbia with the Social Credit, which is a mixture of Tory, Liberals and used car dealers, that crazy coalition didn't have the nerve to do away with the plan, because the plan is a good one and people in those provinces liked those plans and liked the service they were getting from them.

[5:00]

When the select committee on company law issued its second report on automobile insurance it included a study by that incredible, left-leaning financial organization, Woods Gordon and Company. That corporate source may be a bit radical for the Minister of Consumer and Commercial Relations and other members across, but that company in its report said the institution of a public auto insurance plan would save consumers in the province $50 million. That figure is low, when one considers that was some time ago and the effect of further ripoffs that will result from this new bill. So it is millions and millions of dollars the consumers in the province could be saving if this government would just give up this dogmatic position and accept a reasonable approach to the provision of auto insurance in Ontario.

I would refer the Minister of Consumer and Commercial Relations to this totally objective study done by Woods Gordon and Company. He should look on page 445 of that report. He should read it every night before he goes to bed. Maybe it will get through on one of those occasions, from repetition. It sets out in detail the advantages to people in this province if we were to adopt one of those plans. It is in point form; it is very easy to read: "Benefits to motorists: reduced premiums." That is quite a benefit for you.

Let's stop just for a second before we talk about some of the other benefits we could have. The minister will also notice on page 406 of that report there is a chart, table five, which is a recent premium comparison by cities on liability of $200,000 inclusive, collision $100 deductible, comprehensive $50 deductible. It compares two cars—a 1976 Ford Grenada and a 1966 Chev stationwagon —in the cities of Toronto, Ottawa, Vancouver, Winnipeg and Regina at that time. The comparisons are rather interesting; I am sure the minister has these burned into his memory from reading them so frequently.

For other members of the assembly who don't read that table as frequently as the Minister of Consumer and Commercial Relations, for an accident-free driver of a car that was driven for pleasure but not driven to work, the rates in those five cities for the 1976 Grenada were Toronto $321, Ottawa $305, Vancouver $270, Winnipeg $192, Regina $224.

But look what happens when one moves along from those differentials, which are not negligible, to the end of that column where they talk about an accident-free, under-the-age-of-25, male driver. Talk about private insurance companies being out of line; for that driver of the same car in the province of Ontario, Toronto $784, Ottawa $738. Even out in BC it was down to $650. In Winnipeg $234, Regina $260. How do they justify that? There is no justification for that.

Consider what you do to the poor person who has had an accident. We can feel sorry for that person in an accident if he happens to be male and under the age of 25, because when one moves along to the final chart on that page: Toronto $1,360, Ottawa $1,271, Vancouver $1,156, Winnipeg $234, Regina $273.

Look at the startling comparisons for the person who is driving a 1966 Chev stationwagon during that time. In Toronto that person who was an accident-free, under-the-age-of-25 male was paying $1,056; in Regina $173. It shows the premium ripoff and it shows the clear advantage there could be to consumers in Ontario in terms of the reduction of premiums.

There are a lot of other benefits that come with the public auto insurance plan as opposed to the kind of plan this minister and his government continually want to have existing in this province. Saving after saving to the consumers of this province are listed throughout this report. There are all kinds of arguments in favour of public auto insurance, which I have repeated at length in this assembly on other occasions. I know every member of this assembly has read those speeches so I won't go through them all again.

I know that members of the assembly have read the select report of the committee and I know that other members will be wanting to talk about it.

Mr. Rotenberg: Why don't you read the disadvantages?

Mr. M. N. Davison: Does the member want me to read the entire report? Maybe I could put it in some perspective for him. I am sure he has read it himself, though.

Mr. Rotenberg: Of course I have. Just don't give one side of the question.

Mr. M. N. Davison: When he has a chance to speak, he's free to read whatever he likes from the report; whatever he thinks is appropriate to put on the record of the assembly. I don't think there is anything in that select committee report he could read that would make up for the ripoff that is taking place now, that is going to continue to take place and that will be even worse in Ontario because of the government's failure to bring about a public auto insurance plan here.

In conclusion, I want to say again that while we'll support the introduction of compulsory auto insurance in Ontario, by itself it is an inappropriate step. The plan is not the best solution for consumers in Ontario. It is unfortunate that once again the government has let go a chance to bring in a good plan in Ontario. It is unfortunate that we have to open the consumers of Ontario to further gouging by auto insurance companies. There is a real need for something more than Bill 160 at this time.

The alternative system is a publicly operated automobile insurance plan. That is the system the Ontario New Democratic Party favours, and that is the system Ontario will get after the next election, when the people across the way are no longer the government.

Mr. Kerrio: Ho, ho, ho!

Mr. Bradley: The member for Niagara Falls, of course, is no doubt directing his laughter at the previous speaker's remarks and not at those I will be making.

Mr. Speaker, I rise to indicate considerable support for this particular bill. It is something for which I think many members of this Legislature have been striving for a number of years.

The select committee on company law has deliberated long on this subject, and I congratulate all members of that committee, and most particularly the chairman, on the exhaustive study they have undertaken and the determinations they have made, the main thrust being that there is a need for a compulsory form of automobile insurance in this particular province.

Most people in Ontario recognize that they have a moral obligation to assume financial responsibility for those who are placed in a disadvantageous position as a result of an automobile accident. Most people in this province have lived up to that obligation over the years, but some have not and hence the need for compulsory automobile insurance.

There are many who make the argument in 1979, and I am sure into the 1980s, that government intervenes far too often in the private sector and in the individual lives of the citizens of this province. However, when it is required, when there is a necessity for it, it is my view that government must step in and make compulsory something that should be done on a voluntary basis but is not because of some who wish to dodge what would be a perfect moral system.

We recognize there are two categories of people who have been hurt over the years by the lack of compulsory automobile insurance.

The first group is the victims of accidents; those who have been in an accident—usually an accident that is not their fault—and who find that the person who was at fault in the accident is not insured sufficiently, is not insured at all, or is insured only with the previous fund, which proved to be rather unsatisfactory. As a result, many of the victims of accidents have found themselves in almost a penniless situation, having to assume heavy medical bills, perhaps property damage bills, and being unable to assist themselves in terms of being able to carry out their employment obligations.

If we look at a third party that is affected by this, I suppose it is the public, who have had to pay out some forms of social assistance to some of these victims, which assistance comes ultimately from the taxpayers of this province.

However the other group I had in mind is those people who, for various reasons, perhaps lack of foresight, perhaps lack of a feeling of moral obligation to do so, have not obtained sufficient automobile insurance to cover all eventualities should an accident occur. Those people, even if they paid into the unsatisfied judgement fund, are still likely to be financially ruined because they have to pay back the sums of money paid out and many of them are obligated for a lifetime to those against whom they have committed, I suppose if it's not too strong a word to use, the crime of perpetrating an accident. This situation cries out for compulsory automobile insurance in this province, although some of us are a little reluctant many times to use that word.

If everyone in this province is compelled to be insured, and I recognize that enforcement isn't 100 per cent although the member for

Kitchener (Mr. Breithaupt) did address himself to enforcement, it might well inspire better driving habits. People will recognize they are going to be hit very hard if they have poor driving records or accident records and have accumulated many points under the Ontario system. They will recognize through compulsory automobile insurance that they must upgrade their driving ability to avoid being placed in those categories where the premiums are very high. This might well be a positive side benefit to this particular legislation.

We also look at the issue of the penalty for those who do not comply. It is necessary, of course, to have penalties which are stiff enough to persuade people to become involved in the insurance plan. The member for Kitchener mentioned that fines would be substantial, that perhaps the person's licence would be suspended and that licensed drivers in this province would be required to subject themselves—and once again I say this with a little bit of reluctance—to spot checks from time to time by members of the police force to determine whether or not they have automobile insurance. Many of us are reluctant to have citizens stopped without what might be called necessity and interrogated by the police force, so it is difficult for us to accept the fact that the police should be able to check to see if people have insurance. Certainly this is done in any event at the present time when there is a violation of a traffic law. It is necessary to have these fines and other penalties to ensure that people do comply.

Also, I noted the recommendation of the committee that there be a contingency fund to cover those cases which would fall outside the insurance industry, for instance the hit and run situation. People who are victims of a hit and run accident should have some financial recourse and I think the committee was very wise in recommending that.

Looking at the price of automobile insurance to the consumer, one often is very concerned about the rates which people have to pay and how those rates can be brought down. One suggestion made by the member for Hamilton Centre (Mr. M. N. Davison) is that a non-profit plan, similar to those in existence in a couple of other provinces and certain other jurisdictions, would provide the answer to the high cost of automobile insurance. It is one solution that this Legislature has to keep in mind; as an ultimate or last resort in the minds of some, as a first resort in the minds of others, particularly the members to our left.

However, I think it is incumbent upon the provincial government to monitor the situation in terms of the competition that exists within the industry itself. If that competition exists, and if the rates being charged can be determined to be fair, then the present system can be allowed to exist.

[5:15]

If, on the other hand, the provincial government is able to determine there is not the kind of competition that produces the lowest rates and the best coverage, then the Legislature has to at least have a look, with some seriousness, at some alternative form of insuring the motorists in Ontario.

We recognize as well that the bringing down of the rates involves not only the possibility of elimination of profits—that is one way that has been suggested—but also it deals with the safety conditions that exist on our roads; so it is incumbent upon the Minister of Transportation and Communications to ensure as much as possible that the road conditions are such they work against the possibility of accidents.

It is incumbent upon the Solicitor General of the province to ensure the police forces enforce the rules of the road to such an extent that we can eliminate many of the accidents that now happen. Of course it is incumbent upon the entire government and members of this Legislature to ensure there are rules and regulations governing driving and driving habits which can have a major effect on lowering the number of accidents, and therefore the reasons insurance companies can advance for charging the premiums they do.

As I say, I rise in favour of this particular bill. It may not meet all of the suggestions that were made by the select committee on company law—many of those suggestions were excellent—but it does go a long way towards ensuring those people who have in the past been victims of automobile accidents, and the financial consequences of those automobile accidents when there is no automobile insurance in place, will have that situation rectified.

Mr. Germa: Mr. Speaker, I am pleased to rise on the debate on Bill 160, a bill that is bringing compulsory automobile insurance to Ontario at long last. It is the last jurisdiction in Canada, by the way, that hasn't arrived at this conclusion, which only proves this government is determined to be the last in Canada to do the right thing.

Like other members in the House, like the first speaker from the Liberal Party, I have served long and hard on the select committee on company law, that very prestigious committee. We spent the past three

years in the trenches of the board rooms, and it has been tough slugging all along. I am pleased to see the minister recognize the hard and good work we did, and I am quite proud of our report. I must say that out of dozens and dozens of recommendations which the committee saw fit to make, the ministry and the government, and this minister, have been very reluctant to come forward with all of those things which we saw as necessary in order to put the insurance of automobiles, third party liability, on the right track.

I have great faith in this minister. He fought long and hard with those right-wingers in his cabinet, because he is a very progressive minister. I am sure if he had his druthers he would be in here today with a bill to bring public automobile insurance into Ontario. I can hear this minister fighting and clawing in that cabinet office for the rights of the consumer of this province. He knows in his heart of hearts that is where he will eventually be successful and he knows that is the only way he is going to be able to protect the consumers in Ontario.

Despite the weakness in the bill, I know, and I think the minister understands, this is but the first small step to a publicly operated automobile insurance system. The compulsory part of public auto is the basic step in bringing in a universal plan so the people of Ontario can reap the benefits, as indicated by the member from Hamilton, from a public automobile insurance plan.

Despite the minister's failure in the cabinet, the government of Ontario has certainly climbed down from its marble pedestal. How often have I heard this government, from the Premier on down, saying "We don't want to interfere with the lives of people. We believe in the free enterprise system where people are free to do or not to do as they see fit." At long last, and quite belatedly, they have abandoned that principle because it just doesn't work; and it hasn't worked, despite all of their efforts, over the past—who knows, 20, 25 years?

Their first attempt at compulsion was thinly veiled under a system known as the unsatisfied judgement fund. The minister himself admitted in his opening remarks this was not a fund to protect people who were injured by uninsured motorists. He referred to it as a deterrent fee. By this thinly veiled threat of penalizing them—making them pay a fine before the event—it was felt in some way or other that that would force them to go to the private market to buy insurance. Despite all the raises in the amount of the contribution over the years to the present $150, he admits the system has failed.

The system was properly titled; it was indeed the unsatisfied judgement fund because everybody was unsatisfied: the victim, the person who didn't have the coverage, and the government of Ontario. Everybody was unsatisfied so they changed the name. They came up with the motor vehicle accident claims fund. The change of name, of course, didn't accomplish anything the unsatisfied judgement title hadn't done. It was still an unsatisfactory system because people were just not deterred by paying this penalty prior to the event.

So here we are with compulsion. While I'm not a basic free-enterpriser, the word "compulsion" implies I am going to be forced to do something that I might not otherwise want to do; and in fact it is doing that to me, because what the government is saying to me tonight is that I must contribute to private profit. That is the bottom-line figure, and I'm opposed to being told that I must contribute to private profit.

Once a government imposes compulsion on its citizens, it has a responsibility to supply the service it compels them to take, in this case third party liability. The government still doesn't supply that product; instead it is forcing me to go and do business with yet another insurance company, which in this bill is called the Facility.

We already have approximately 181 insurers—

Hon. Mr. Drea: One hundred and eighty-three.

Mr. Germa: One hundred and eighty-three; we've gained two more companies. We have 183 companies functioning in the province selling automobile insurance. I think we have 33,000 insurance agents on the highway selling the product, and still the privateers are not meeting the market demand, the government still has to intervene. Yet this government still insists the private market can meet the needs for automobile insurance.

Those figures alone tell me that by adding one more insurance company known as the Facility—and while he says it is not an insurance company it is that in fact, it is an insurance company of last resort, when the 183 other companies don't want to have anything to do with this person then the Facility will have to do with the person as it pleases. I see a great weakness there, despite the fact the superintendent has the right in the bill to approve or disapprove rates of the Facility Association.

The committee, as I said, dealt long and diligently with the subject of compulsory insurance and they laid down certain requirements that would be necessary if, in fact, the government saw fit to bring in a compulsory plan. Could I just put them on the record and test to see if this bill meets the requirements as indicated by the select committee?

The committee said: "This could be accomplished"—compulsory auto insurance—"by: retaining the procedure whereby motorists certify on their licence plate renewal application form that they have valid insurance in force; eliminating the option for motorists to pay a $150 fee to the motor vehicle accident claims fund in lieu of carrying insurance coverage; eliminating the alternative available to certain self-insurers of providing their own commitments or of depositing securities or posting a bond with the registrar of motor vehicles that then permits them to depart from the requirements to obtain insurance coverage; relying on the law enforcement agencies to aid in the apprehension of uninsured motorists when investigating traffic violations and accidents or while conducting spot checks; increasing substantially the minimum penalties for owners of uninsured vehicles using the roads; and retaining the motor vehicle accident claims fund to be financed by a portion of the driver's licence fees at least for the time being."

The enforcement of compulsory automobile insurance is, I think, one of the major problems the government is going to face. As I said earlier, we are not the first—in fact we are the last—jurisdiction in Canada to introduce compulsory automobile insurance. Many states in the United States have had it for many years, and they have met with limited success, I must say, in some particular states.

In the state of Florida, for instance, page seven of the committee's second report tells me, 17.8 per cent of the drivers do not have insurance, despite the fact that it is compulsory. California has a 16.2 per cent delinquency rate, and Massachusetts has a 15.3 per cent rate. Bringing in a bill which says it is now compulsory does not necessarily mean that everyone is going to have third party liability.

The cost to the province of Ontario, which in fact is a subsidy to the insurance industry, is not estimable. The minister has brought in no figures to estimate the cost to the taxpayers of Ontario of enforcing compulsory automobile insurance.

The government has been delinquent, in part causing the problem, in not ensuring that drivers who should have been taken off the road were taken off the road. They relied on the insurance industry. While I'm not a defender of the insurance industry, time after time it cited that the government was weak in not ensuring that certain drivers are not capable of driving and should be removed from the road. The bill does not deal with that problem.

Perhaps I would just put on the record one driver's record that the committee pulled from its sources. It is on page 317 of the first report of the committee and perhaps I could just read part of the citation. It starts on the ninth day of the fourth month of 1973. He was convicted of speeding at 40 miles per hour in a 30 miles per hour zone; on the 12th day of the sixth month, speeding, 40 miles per hour in a 30 miles per hour zone; on the 12th day of the 12 month of 1973, speeding, 40 miles per hour in a 30 miles per hour zone; on the second day of the fourth month of 1974, speeding, 54 miles per hour in a 35 miles per hour zone; on the second day of the fifth month of 1974, speeding, 40 miles per hour in a 30 miles per hour zone; on the seventh day of the 12th month of 1974, speeding, 50 miles per hour in a 30 miles per hour zone.

[5:30]

It goes on and on and on. Despite this horrendous driving record, the government of Ontario has no facility for removing that kind of a driver from the road. This contributes to the high accident rate and the high payouts required in the insurance industry.

The Facility Association, which is cited in the legislation, is put in place to form a pool for those drivers whose risks are so high no independent insurer wants to accept the risk. If there were one insurance company in the province of Ontario, the risk pool would be large enough to accommodate all of the drivers. It would be on a preselection basis; there would be no option for the insurance company to avoid taking that risk, it would be a case of taking all comers. But the 181 companies functioning have a tendency, because their motivations are to increase the bottom-line figure, the profit figure, to cream the market. There's just no way to cure them of this habit. It's a weakness in the system. When they decide this person is not beneficial to their profit picture, he is rejected and is going to be put into the Facility Association.

This type of a hand-off system has been in place for many years under different names. There's a slight variation in how they function. They've called them the insurance exchange in some jurisdictions, the assigned risk plan in other jurisdictions and the re-insurance facility in some other places. But the basic principle surrounding this is that it is the insurer of last resort.

The driver whose record is such that the private insurer, the individual insurance company, doesn't want him, will have to go into the Facility Association.

It is to be hoped when the superintendent reviews these rates, he will ensure the rates are commensurate with the risk which is being accepted. We are putting a great onus on the superintendent to protect from exorbitant rates those people who are, through one method or another, put into the Facility Association.

If I could get back to the motor vehicle accident claims fund, the government has also been delinquent in that area in allowing a deficit position to build up to the extent of $40 million or $50 million. The minister tells us next spring he is going to get the collection agencies active and is going to bring in that money.

The minister also made comment on the concept of insurance agents becoming a self-licensing, self-governing, self-policing body. The committee dealt with that at great length. I'm not aware we came to the conclusion this organization had reached a state of maturity that it could be trusted with its own affairs.

Hon. Mr. Drea: But I did.

Mr. Germa: I'm glad we've got the minister on the record.

Let the minister then take responsibility for what's going to happen when he lifts the responsibility from the superintendent's office. The superintendent now is responsible for policing and examining these people. I have great faith that is the only thing that kept it reasonably clean. Despite his intervention, we know that all is not well in the insurance agencies. I, as a person, do not believe they have arrived at a state of maturity to allow them to become a self-licensing, self-governing, self-policing body.

Hon. Mr. Gregory: The member doesn't know what he is talking about.

Mr. Germa: Yes, I do. I know a lot of insurance agents. There are some in this House.

Hon. Mr. Drea: Yes, there are.

Mr. Germa: That is probably why I made that statement, because I know them personally.

I question the minister's wisdom when he proudly says this is one of the progressive moves which is forthcoming from his ministry. But, despite the various criticisms that I have made regarding compulsion, I know that it is the first step to a system that I think should be brought into Ontario, a system similar to Tasmania, I understand; Tasmania, Manitoba, Saskatchewan and British Columbia.

Hon. Mr. Drea: How many times has the member driven in Tasmania?

Mr. Germa: If the minister doesn't like Tasmania he should go and take a look at Manitoba. The figures were put on the record, as well as those from Saskatchewan and British Columbia. The evidence is in that this would be a better prospect for the people of Ontario than what we have now. I think it is the first step and, at the earliest possible moment, I know the minister will be bringing in another bill, Mr. Speaker, which will bring public automobile insurance to Ontario.

Mr. McKessock: I rise to support this bill. I feel this legislation is long overdue. I've had experience with some of my constituents on both sides of the present system where you pay a fee, if you wish, instead of obtaining car insurance. I feel it's a mess no matter which side you're on, whether you're the victim who has been hit by a driver participating in the motor vehicle accident claims fund or you're trying to get money from the fund, because there have been great delays in getting your benefits if you've been hit by such a driver and also there are limits put on the fund.

Also, if you are participating in the fund it is a hardship if you have to pay back the money to the fund. I feel participating in the motor vehicle accident claim fund is like playing the futures market where 70 per cent of the participants lose. They lose by spending the rest of their life, perhaps, paying back into the fund or maybe by losing their licence forever.

I remember discussing this issue of compulsory insurance with the director of the motor vehicle accident claims fund a year or two ago when I met him concerning a problem I had in my riding. I felt at that time that compulsory insurance was at least part of the answer. I'm pleased to see it's coming forward now.

One concern that has been brought to my attention about the bill is it doesn't indicate that a person might be allowed 24 hours to

produce his certificate of insurance if for some reason or other it hasn't been left in the vehicle or in his billfold—similar to the way the police allow you 24 hours to present your licence, Mr. Speaker.

Hon. Mr. Drea: It's the same discretion.

Mr. McKessock: It's at the policeman's discretion?

Hon. Mr. Drea: It's at the policeman's discretion.

Mr. McKessock: Can I take it from that remark that it will be a similar situation—

Hon. Mr. Drea: It will be identical.

Mr. McKessock: I understand the minister to say it is identical to the driver's licence, and one probably will have 24 hours to produce it.

Hon. Mr. Drea: Or more.

Mr. McKessock: At the discretion of the police?

Hon. Mr. Drea: Yes.

Mr. McKessock: Thank you, Mr. Speaker. I am pleased to see that this bill is proceeding.

Mr. Acting Speaker: The member for Sudbury East—I'm sorry; the member for Nickel Belt.

Mr. Laughren: You have no idea of the explanations I would have had to go through back in the riding, Mr. Speaker.

Mr. Acting Speaker: That would have made it tougher still, would it?

Mr. Laughren: As a matter of fact, the most difficult of all.

Mr. Kerrio: It'll be the same speech.

Mr. Laughren: It may not be the same speech. As a member of this party who represents the strength in centre, I am very unpredictable.

Mr. Speaker, I think the government and the minister understand very clearly just where we stand on this question of compulsory auto insurance. The minister is shaking his head; I don't believe it.

Hon. Mr. Drea: I do not understand. I wish the member would tell me.

Mr. Laughren: Does the minister not understand that we are supporting compulsory automobile insurance?

Hon. Mr. Walker: That's not what the member for Sudbury (Mr. Germa) was saying.

Mr. Laughren: Yes, it is. We are supporting compulsory auto insurance in Ontario. But what the minister should understand and what my colleague from Hamilton was trying to tell him was that when he reduces the component of it being compulsory in Ontario, he therefore takes away the right of citizens in Ontario to make it an option as to whether or not they will do it. For example, we don't make the purchasing of bread compulsory in Ontario, because persons could bake their own bread; that is the way it should be. I don't want to be too elementary for the minister, but I think I do have to explain it to him very clearly.

Hon. Mr. Drea: The only thing compulsory in all of this is for a person to accept the responsibility. It may be strange to the member but it is not strange to me.

Mr. Laughren: Responsibility is not at all strange to me. As a matter of fact, if the minister wants to engage in a debate about responsibility, we could start to talk to him about his responsibility for consumer protection in Ontario, which has been sadly lacking since he became the minister; that is strange, given the background of the Minister of Consumer and Commercial Relations. Some day, Mr. Speaker, I think I am going to walk in here and introduce a private member's bill that will change the name of the Ministry of Consumer and Commercial Relations to the Ministry of Commercial Relations, because there is no consumer protection in Ontario. My colleague from Welland-Thorold (Mr. Swart) rises in his place day after day and gives examples of where the minister is not protecting consumers in Ontario.

Hon. Mr. Gregory: Even you don't believe that nonsense.

Mr. Laughren: I certainly do believe that—and, Mr. Speaker, I know you would want us to address the bill before us. The point for me, when it comes to compulsory auto insurance, is that we are removing from the public an option—

Hon. Mr. Drea: The right to be irresponsible.

Mr. Laughren: I know; I am supporting it. If the minister would just listen for a moment—

Hon. Mr. Drea: I can't fathom you or follow you.

Mr. Laughren: If you would listen, Frank, you can't—

Hon. Mr. Drea: "The minister."

Mr. Laughren: Mr. Speaker, I withdraw the word "Frank."

What I was attempting to explain to the minister was that we are no longer making the provision of auto insurance optional. Whether he wants to admit it or not, until this point a driver in Ontario did not have

to buy auto insurance; now we are saying he must buy auto insurance.

[5:45]

The minister surely understands we are supporting this bill. But what we are saying is from the point this bill takes effect it is going to be compulsory for drivers in Ontario to buy policies from the private sector insurance companies in this province. That's what it comes down to. That's what makes us so nervous. We don't believe, as the minister does, that is the way to dispense auto insurance in Ontario or in any other jurisdiction. That is what it comes down to. Surely the minister understands that.

I should make it clear that is the reason I rise in my place—not to repeat, I hope, what others have said but to make the point if we are going to make auto insurance compulsory in Ontario, we have an attending obligation to bring it into the public sector. It is no longer an option, it is compulsory.

I would not for one moment recommend that anything be brought into the public sector unless it can be justified on social and economic grounds. It must fill that requirement. If I thought the private auto insurance industry could better deliver auto insurance to the people in Ontario than the public sector, I wouldn't be suggesting the public sector do it.

The fact is public auto insurance is more efficient and delivers a better product than does private sector insurance. People who read the background material, who study the systems in the three western provinces and here, come to that conclusion. Please, I am not talking about some kind of Pavlovian, doctrinaire, sectarian response; I am talking about thinking it through to determine which is the best system for the people of Ontario.

The Minister of Consumer and Commercial Relations had his mind made up before he ever read a report.

Mr. Rotenberg: So did you.

Mr. Laughren: No, it is not the same with me.

I know people think public auto insurance isn't the answer. I understand that. All I am saying to people like the minister, who used to be Frank, is set aside those prejudices and look at the pros and cons of public auto insurance versus private auto insurance. That's all I am saying. That's all I am asking the minister to do.

Mr. Rotenberg: Why don't you set aside your prejudices?

Mr. Laughren: I did.

Mr. Rotenberg: No, you didn't.

Mr. Laughren: I want to tell the member, I have done so, as did the people from Woods Gordon, who were very objective about it. I have done it just as they did.

Mr. Rotenberg: No, you didn't.

Mr. Laughren: Well, I did, and if the member would read the conclusions of the Woods Gordon report, he would come to the same conclusion I did.

The only difference between the people over there and me is that I didn't go into it with a prejudice.

Mr. Rotenberg: Yes, you did.

Mr. Laughren: No, I viewed the question of public versus private auto insurance in this province very objectively.

I will tell the minister one of the reasons is the lack of consumer protection in the province of Ontario. It is not the most compelling reason for me, but it is one of them.

The minister likes to pretend he is very popular out there. He is a populist minister. "Populist" is the right word, not popular.

Hon. Mr. Drea: You take that back. That's something the member for Riverdale (Mr. Renwick) thought up.

Mr. Laughren: Oh, then I will take it back. The minister thinks he is providing consumer protection and the consumers of Ontario love him. Well, that's simply not true. They are beginning to realize, because of my colleague from Hamilton and my colleague from Welland-Thorold, that the minister isn't providing the consumer protection he should be for the people of Ontario.

I want to move on, Mr. Speaker. I stated earlier I believed we should only provide something to the public sector if it can be justified on social and economic grounds. I believe this can be.

There are all sorts of analogies one could draw. In the United States for example, medicare is a very topical issue today. We know the cost of medical services in the United States is a higher percentage of gross national product than it is in Canada. We know that. We have a public health system in Canada and there is not one in the United States. That is the greatest free-enterprise system there is, at least in their terms.

The minister can't stand in his place and claim the private sector delivers things automatically more efficiently than the public sector. I believe for social reasons, the public sector should provide auto insurance. That's true if we are talking about education in Ontario, which the public sector delivers; it is true of the highway system and I think it is true for auto insurance as well.

We could spend a moment on some of the reasons I think auto insurance fits into the category of social reasons for it being delivered by the public service.

First for all, there's an opportunity for the people who provide the service in the case I recommend—the public sector, the government—to utilize the surplus pool of funds that would be available for purposes other than simply investment for something called an insurance company. In other words, it would be for the benefit of the people who contributed the funds. The minister would admit surely, that with the private sector delivering auto insurance, if the insurance company wants to invest in something that has no relationship whatsoever to the public sector or the people who buy the policies, they are free to do so.

Does the minister know the insurance industry in Ontario can invest in South African bonds? Did he know that? They can invest in South African bonds. What advantage is that to the driving public in Ontario? Perhaps the minister could tell me how investments by the private insurance industry in South African bonds could help the driving public in Ontario. That is one compelling social reason.

A public auto insurance plan can develop proper rehabilitation programs for bad drivers, conduct safety programs for drivers, driver education, and also of course provide a return to policy holders if there is a surplus at the end of any given year.

Second, if the public sector delivers the insurance there could be more equity among drivers, if it's considered desirable. I mean whether or not young drivers should pay more or less or whether the high-risk driver's premiums should be shared by others is not a decision the private sector should be allowed to make.

Most important of all, I would ask the minister when he responds to tell me how he justifies the policyholders' funds being used to invest in other jurisdictions, because that's the way it is under the Insurance Act now.

Third, if it is compulsory auto insurance, the argument is even stronger than if it's just auto insurance delivered by the private sector. It's a case of the public being required, being forced by law, to contribute to the surplus of the auto insurance companies.

Fourth, the fact we have a public auto insurance program makes it much easier, much more logical to effect consumer protection in the province. The way it is now, the minister must confront the industry when there is a consumer protection problem. If it was in the public sector it would be part of the program of the public auto insurance. We don't have that in Ontario and I think we should have.

I heard some members talking about some of the problems of public auto insurance. I look to what happened in Manitoba and Saskatchewan and British Columbia and I saw the shambles into which the industry had allowed the situation to develop in those provinces.

I looked at Manitoba. Prior to Autopac in Manitoba at least three per cent of vehicle owners were not insured for third-party liability coverage; 55 per cent did not have the protection of the accident benefits coverage; 26 percent did not insure their vehicles against collision damage; six per cent did not have fire and theft insurance; and 71 per cent of vehicle owners did not carry medical payments coverage. That was a fine record in Manitoba by the private auto insurance industry, wasn't it?

It was only when public auto insurance was introduced in Manitoba that those problems were solved. I know the minister will say, "We don't have those problems in Ontario," but I want to tell him we don't have consumer protection in Ontario at the present time. It's simply not there. It is going to get worse and the minister is going to have complaints on his desk when this law goes into effect such as he has never had since he became minister, because now it is going to be compulsory.

In British Columbia, there were problems there before they introduced ICBC. Efforts to cope with a large residual market were divided between the operations of two different high-risk plans, the Facility and the BC Insurance Exchange. Creaming in the market was practised by insurers who enjoyed the privileges of being selective in the risks they chose. This was considered to be an undersirable practice, resulting in alleged gaps of availability. Increasing claim costs and processing delays were said to be creating dissatisfaction with the system as operated by the private industry. Mid-term and arbitrary cancellation by insurers was said to be widespread. These were the problems in British Columbia.

No matter which province one goes to where there has been private insurance that has been replaced by public insurance, those problems have been solved. Perhaps one of the cost compelling arguments, which I hope the minister will respond to, which my colleague from Hamilton Centre raised as well, is that when public insurance was introduced by NDP governments or CCF governments,

when another party took power—the Liberals in Saskatchewan and the Social Credit in BC—they didn't change the system. There are quotes from those governments that indicate they could not improve upon the public auto insurance system. I think the minister should explain why he thinks public auto insurance is still in effect in those free-enterprise provinces.

The other thing I would like to touch on briefly is the whole question of efficiency. We had a study done, which was referred to already, by Woods Gordon and Company. There were a couple of very interesting comments in it. On the question of moving to a public auto insurance program in Ontario they said, "The private general insurance in Ontario employs an estimated 16,300 company employees in 236 companies." They also said, "The general insurance industry uses the services of approximately 1,350 adjusters and an estimated 12,000 agents, brokers and their employees."

The report goes on to say, which is really significant, "Government ownership of automobile insurance would affect at least half of the close to 30,000 general insurance industry employees in this province. It is evident that the provincial corporation would absorb a segment of private industry employment, but a significant restructuring of job opportunities is likely to result."

If I could read between the lines briefly, what that really is saying is if we brought in public auto insurance in Ontario we could do it with fewer employees than the private sector is using at the present time. So much for the efficiency of the private sector. That's not an efficient way to deliver auto insurance to the driving public in Ontario. It's not the way to protect the driving public in the province.

The Minister of Consumer and Commercial Relations is not doing his job as long as he allows the private sector to deliver auto insurance in Ontario.

On motion by Mr. Laughren, the debate was adjourned.

The House recessed at 6 p.m.

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No. 113

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Third Session, 31st Parliament
Tuesday, November 20, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

COMPULSORY AUTOMOBILE INSURANCE ACT

(concluded)

Resumption of the adjourned debate on the motion for second reading of Bill 160, An Act to provide for Compulsory Automobile Insurance.

Mr. Speaker: Does any member wish to speak to the bill? The member for York North.

Mr. Hodgson: Mr. Speaker, I don't see a quorum.

First Clerk Assistant: There is not a quorum, Mr. Speaker.

Mr. Speaker called for the quorum bells.

On resumption:

Mr. Speaker: Do we have anybody who wishes to speak to the bill on second reading?

Mr. Renwick: Mr. Speaker, I have two or three comments I want to make on second reading of Bill 160, An Act to provide for Compulsory Automobile Insurance.

To the very best of my ability, I will try not to repeat what has been said before about the origins of the bill or the reasons why it is presently in the assembly.

I would, however, in my own small way pay a tribute to some of the people who worked with us in the committee on company law dealing with this area, particularly the minister's advisers, the superintendent of insurance and his staff, throughout a long period of time. We have had so long an association with the three reports on insurance, the present report on insurance and a previous report dealing with the law of trust companies, that the superintendent of insurance and his staff approach us with a certain care and wariness about what we're about. We've got to know each other and we've also got to know how we go about the process of coming up with the kind of legislation which in due course will be acceptable.

I would also like to comment on the presence of the consultants who were here this afternoon, Mr. Paul Boddy and Miss Ludmilla Jagiellicz who have worked with us for some considerable time entirely in the insurance field. The work they have done on all three reports and the work they're presently doing in the field of life insurance have been invaluable to the work of the committee. It is reflected in these two volumes dealing with automobile insurance.

I couldn't let the opportunity go by without referring to the late George Ness, who was counsel to the committee for the two reports dealing with automobile insurance. At the end of his time as counsel to the committee, he probably was aware he wasn't going to live very long and he was not with us when we were working on the third report. Ultimately, he died at a much younger age than he should have. I did want on this occasion to pay a tribute to the work which he did for the committee over such a long period of time, both prior to the work on hospital insurance when he was associate counsel to the committee and then when he was counsel to the committee. I want to pay tribute to his work on these two reports which ultimately have led to this particular piece of legislatoin.

Let me turn for a moment to the legislation. I am not going to spend very much time on the report. Anybody who wants to read that model of English prose, known as the dissent of the member for Sudbury (Mr. Germa), the member for Scarborough-Ellesmere (Mr. Warner) and myself, will easily recognize that while it doesn't have any particular Churchillian ring to it, it does compare somewhat with, shall we say, the Gettysburg address in the model of concise expression of a dissent which is irrefutable, and which says all that has to be said in the clearest possible way about what will take place in the province in a few short years, even under a Tory government, that is the introduction of a government automobile insurance plan.

As a matter of fact, I can see this minister at the last gasp of a dying Tory government nailing to the masthead that the Tories are going to bring in a government-sponsored plan in order to stave off ultimate defeat before a New Democratic Party victory at the polls.

If I may now turn to the bill and two or three things, the bill has a certain semantic intrigue to the title of it. Having looked at

the reports recommending compulsory automobile insurance and seeing the bill which the minister introduced into the House to deal with compulsory automobile insurance, one would think there would be some resemblance in the bill to what is in the report. There are certain minor similarities between the recommendations in the report and what is in the bill, but that's about all.

In introducing the bill, the minister referred to it in an almost punitive way, as if we were going to make people take out insurance. That was not the purpose of the committee. The purpose of the committee, given a private automobile insurance system in the province, was to provide the assurance that anyone who wished to drive a car would have available to him automobile insurance at a price which, subject to the risk which he was bringing to bear on the pool of people who were driving automobiles, would be at least bearable, so that he wouldn't be priced out of the market and so that he would not be in a situation such that he couldn't drive because he couldn't afford the insurance policy. For a long time that has been one of the hallmarks and one of the bad things about the automobile insurance system as it existed in the province.

We now have a Facility Association which is so close to being a government-operated plan that it might well be very close to a total operation of such a plan that may very well develop from this Facility Association.

The crux of that association, if I may so refer to it, and the principle of the bill, is that an agent shall provide to an owner of a motor vehicle who is a resident of Ontario an application for automobile insurance and submit to an insurer a completed application for automobile insurance when requested to do so by the owner of a motor vehicle. Having submitted it, of course, it is then up to the private marketplace, the individual company, to pick up that particular application and to issue the policy. But the safeguard for the resident of the province is that the association shall ensure, through its members, that a contract of automobile insurance is provided with respect to every application for automobile insurance submitted under the plan to an insurer under the section I have just quoted.

[8:15]

Very simply, if an individual insurer in the province will not pick up that application the association is obligated to find an insurer within the association who will pick up that application and issue the policy; that's the protection which is finally available in the province.

I'm warning the minister, and I'm warning him now, that our experience showed the number of policies which find their way into an insurance corporation facility such as this, or into the previous pool, reflected very clearly the capacity of the insurance industry to absorb the business. High risk insured persons were looking for insurance through the Facility and paid the penalty of the higher premium; but there came a point where the capacity of the industry was shrinking and a great many relatively normal risks were finding their way into this so-called pooling arrangement for the issuance of policies to cover those persons.

I'm saying to the minister that unless he monitors the operation of that Facility Association very carefully, and I think the elements to provide for that monitoring are in the bill, we may very well find the capacity of the insurance market may contract over a period of time and a number of people will find their way into that association looking for policies who would otherwise be serviced in the private market. The minister has a very real responsibility for monitoring the operations of the Facility Association.

We have plainly provided an obligation on the insurers forming that association to file the rates and to get approval from the superintendent before those rates go into effect. I think I can say that the integrity and the knowledge of the superintendent's office within the ministry of the government, coupled with what they have learned from their association with members of the select committee, would indicate it would be quite likely they will exercise stringent authority to make certain those rates are fair, equitable and at the lowest possible level.

I believe I saw in this bill a provision with respect to a report. I do not see the usual provisions that that report must be tabled in the assembly. It may very well be advisable when the bill is in committee to make such a provision so that it will be seen that this assembly has some sense of responsibility to make certain this new compulsory automobile insurance scheme will be monitored by the assembly, and if necessary will be available for scrutiny by some committee of the assembly should that committee so desire.

The other major element in our report not dealt with in this bill is the question of termination of insurance policies. We tried to devise a model scheme of compliance which, coupled with significant changes in the vehicle licence system from a vehicle licence registration system to a licence-owner or a plate-owner system, would have ensured that an insurance policy, once issued, would be

irrevocable during the period the owner had possession of the plates for which he was covered and which he could use on his own automobile.

The ministry has chosen not to implement, at this time, that compliance model that was the recommendation of the committee. At some point in the future, if this interministerial committee which we heard about for so long ever makes a report—and I haven't heard that a report has been made—it may be able to recommend the institution in the province of an owner-to-plate system of registration which will allow us to have the kind of model for the compulsory insurance scheme that is envisaged by the report of the select committee.

Just before I leave that particular section, I do want to say the procedure for the termination of a policy is not nearly as clear as we would have had it. The irrevocable nature of an insurance policy tied to a plate, would, in many ways, have eliminated a wide range of possible persons driving without insurance coverage. That, of course, was the goal of the system, but the minister has chosen simply to restrict the bases on which termination of a policy can take place by enumerating four particular reasons for termination, which are then part of the conditions attaching to the automobile insurance policy.

I assume at some point those four clauses will find their way into a condition in the policy so that a person reading the termination condition in his policy will be able to see that the insurer has only the rights of termination set out in the bill. I take it that is not a problem because of the regulatory power of the ministry. I'm certain when the minister stands to speak he will assure us those clauses will be incorporated in the bill.

I want to turn to my last comment on the bill, which is a concern I've expressed for some time on a number of occasions. It is the reference to the right of the constable, the police officer, to require to see the evidence of the insurance. It is still immensely confusing in the bill.

Let me refer very briefly to the comment that was made in the report. "The committee noted that the authority for police officers to stop vehicles and demand proof of insurance is contained in section 3 of the Motor Vehicle Accident Claims Act and in section 55 of the Highway Traffic Act. A review of the provisions of these acts is included in appendix F." This is the second volume of the report on automobile insurance.

"The committee has concluded that there is value in setting out clearly in the Insurance Act the specific authority for police to stop a vehicle for the purpose of checking for compulsory insurance coverage and recommends that the minister makes such changes to the act."

Let me just step back for a moment and relate it to the Highway Traffic Act. As this is a matter which in the opinion of some, including myself, at least touches upon the question of civil liberties in the province, I think it is time both the Ministry of Transportation and Communications and this ministry clarified exactly what the authority of the police officer is with respect to documentation which I, as a driver and operator of a motor vehicle, may be required by law to have in my possession and which he can stop me and require the production of in order to identify me or to assure himself that I am insured when I am driving that motor vehicle. The provisions are scattered and are far from clear. The Highway Traffic Act has never been amended to delete the term "constable" and to replace it with "police officer." We therefore have in section 14 of the Highway Traffic Act this provision, "Every operator of a motor vehicle shall carry his licence with him at all times while he is in charge of a motor vehicle and shall produce it when demanded by a constable. . ."

There is no definition of "constable" in the act. There is, however, a wide definition of "peace officer" which is extremely broad and does include, among the enumerated heads, the term "constable."

We have the first provision that if a person has an operator's licence a police officer, on the wording of section 14 of the Highway Traffic Act, can require a person to produce the licence when demanded. Then in section 17 we have the identical provision related to a chauffeur's licence, as distinct from an operator's licence: "Every chauffeur shall carry his chauffeur's licence with him at all times while he is in charge of a motor vehicle and shall produce it when demanded by a constable. . ."

Then in section 55 of the Highway Traffic Act we have this, again rather unusual, provision: "Every constable . . . may require the driver of any motor vehicle to submit such motor vehicle together with its equipment and any trailer attached thereto, to such examination and tests as the constable or officer may consider expedient."

There is no particular provision in any of those particular sections to which I have referred, either in section 14, in section 17

or in section 55, which says the police officer can stop a person.

As was stated in the report, we then have this provision in the motor vehicle accident claims fund section of the appropriate section: "The owner of a motor vehicle who operates or permits the operation of the motor vehicle on a highway shall, upon the request of a constable . . ., produce evidence that (a) the vehicle is an insured motor vehicle or (b) the uninsured motor vehicle fee has been paid in respect of the motor vehicle." That will be somewhat changed, of course.

I did want to draw the attention of the House to these four provisions related to something called the production of documents to a police officer. The problem, however, is whether or not police officers can simply stop you for that purpose, or do they have to have some reason to believe that you are engaged in infringing the law before they can stop you and ask you to produce your chauffeur's licence or your operator's licence or to produce the evidence of insurance or to examine your vehicle?

That is not clear and hasn't been clear for a very long time. I don't know the answer to that. There may be lawyers who practise in the traffic courts—although I doubt if many can afford to go into those courts these days—who may be able to answer that. But I want to draw to the attention of the government that not just this minister, but also the Minister of Transportation and Communications (Mr. Snow)—the two of them—are operating a statute which appears to allow a police officer at random to stop a vehicle without reasonable cause that any offence is being committed.

[8:30]

In other words, if my colleague the member for Scarborough-Ellesmere, who is an impeccable driver, is simply driving from here to his home in Scarborough-Ellesmere, he can be flagged down by a police officer who can presumably say, "You are driving, Mr. Warner, in your usual impeccable style within the speed limit on the right side of the road. Your vehicle is in perfect functioning condition and you are driving in your usual temperate, sober condition, but we are out tonight and have nothing else to do, so we think we will flag you down and ask you to produce your operator's licence or your chauffeur's licence and evidence of your insurance."

My colleague, being a person who stands clearly on his rights on occasion, might very well say to that officer, "But, officer, you have no right to ask me unless you can tell me that you have reasonable grounds to believe I was breaking some law while I was driving." As you can see, it would not be long before my colleague, the member for Scarborough-Ellesmere might very well be up on a charge of obstructing the police in the performance of their duties.

That is the kind of conundrum which the law presently allows to exist under the Highway Traffic Act and the Motor Vehicle Accident Claims Act. We are going to perpetuate that conundrum in the bill before us, because this bill specifically states in section 3 that an operator of a motor vehicle on a highway shall have in the motor vehicle at all times an insurance card for the motor vehicle or an insurance card evidencing that the operator is insured under a contract of automobile insurance, and the operator shall surrender the insurance card for reasonable inspection upon the demand of a police officer.

I wish I could see the lawyers equivocating as to what they really wanted to say when they put the word "reasonable" before "inspection" and not before "demand." I would have assumed if they were trying to indicate there was some reason behind the request that the word "reasonable" would have been before the word "demand" and it would have read, "and the operator shall surrender the insurance card for inspection upon the reasonable demand of a police officer." This bill perpetuates the confusion and compounds the problem I have endeavoured to draw to the attention of the assembly.

I think it is a problem which verges on infringing on civil liberties. It does so in my judgement, and raises serious problems. Now that we are adding a fourth provision with respect to this question of the production of documents to police officers on demand, it is time that this assembly made a clear statement of what it intends.

Do we intend to give police officers the right to stop drivers at random and ask to see their insurance cards and are citizens obliged to comply; or are we saying—I am glad the Minister of Transportation and Communications is here—that no, an officer can only make the demand if he has reasonable grounds to believe an offence has been committed under the Highway Traffic Act or some other kind of offence, and that ancillary to that anticipation he can demand the particular documentation?

The bill compounds the problem further. The Highway Traffic Act doesn't define police officer, but defines peace officer to include a

police officer as well as a constable. A police officer in this bill means the chief of police or other police officer or constable. I want to make certain that anybody looking into the minutia of what I have been talking about is aware that I purposely left out in all of my quotations the reference to a person appointed under section 156 of the Highway Traffic Act for the purpose of carrying out the provisions of that act. I wanted to make it perfectly clear that section 156 provides a specific authorization of a particular kind of person who becomes an officer. I wouldn't want anybody to think that the phrase "for the purpose of carrying out . . . the provisions of this act . . ." in some way or other is a qualification of the word constable as it appears in its bald form in the statue.

There are very serious problems of interpretation which we are compounding in this bill. They have existed for so long in the Highway Traffic Act, which is under the jurisdiction of the Minister of Transportation and Communications, and they have existed for a long period of time now with respect to evidence of insurance under the Motor Vehicle Accident Claims Act, and they are now going to appear in the same confused state as an additional provision in the Act to provide for Compulsory Automobile Insurance.

In appendix F the report said, and it poses the difficulty of the problem, "If it is important that a police officer"—and I emphasize the if—"be provided with the legal authority to carry out both these steps . . ." The two steps are, "to order a driver to stop, solely because he wishes to interrogate him as to whether the appropriate insurance coverage is in force; and to interrogate the driver after he has stopped and to require him to answer."

I go on: "If it is important that a police officer be provided with the legal authority to carry out both of these steps, it is also important that his authority be expressed in terms that are clear and unambiguous." I think what I've been trying to say is that the provisions of the Highway Traffic Act, the provisions of the Motor Vehicle Accident Claims Act and the provisions of this act are not clear and they are not unambiguous.

"It has been suggested"—and I quote again —"that when a Legislature intends to grant the police the power to limit the citizen's freedom of action, that intention should be expressed in clear and unambiguous terms and should not be left to be inferred from the related terms of a statute. If this condition is applied to the Motor Vehicle Accident Claims Act"—and I would read into that the Highway Traffic Act and this act—"it becomes apparent that section 3 does not expressly grant police officers the authority to order a driver to stop for the sole purpose of conducting an insurance interrogation; it only requires that the requisite evidence be produced after the request is made. It is arguable that the intention of the Legislature had been to authorize the officer to order the driver to stop, but it may also be arguable that the intention of the Legislature was to authorize the request to be made only where the driver is already stopped and available." In other words, when he is already stopped for some other reason unrelated to the sole purpose of insurance interrogation or whatever the appropriate analogy would be under the Highway Traffic Act.

I've spoken at some length on that particular section because I am still very worried about it, and I am very worried that we are now going to add a fourth provision in the statutes of this province which will be equally unclear and equally ambiguous. I think it is important that we try to clarify it during the committee hearings on this bill.

With those—which to me are somewhat serious—reservations, we in this party have little alternative but to endorse this step forward in the stages which this province apparently wants made before it can reach the rational, logical and reasonable goal of a government-operated automobile insurance scheme.

Mr. Samis: Mr. Speaker, I'd like to address a few brief remarks to this bill, not having had the benefit of the expertise of the select committee, however. I think it's a bill that affects virtually everybody in Ontario and I welcome its introduction. I congratulate the minister for his initiative. It certainly is something that is long overdue in this province, attested to by the fact that Ontario is the last province in the country to introduce this legislation.

In some ways I find it a bit ironic. I recall vividly his predecessor twice removed—the member for Carleton (Mr. Handleman)—and some of the questions about compulsory insurance that were raised when he was the minister. I think the member for Kitchener (Mr. Breithaupt) raised some, I know and the member from Hamilton had raised some; plus some speeches the former minister had made on the subject and statements he had made to the press saying he was adamantly opposed to it, compulsory insurance wasn't the answer; it wouldn't work in Ontario, it hadn't worked in other provinces.

I am really glad to see the government make this change, a very substantial change, in the whole field of auto insurance in general. I credit this minister for having made the change. It is something, I think most citizens in Ontario would agree, was obviously needed because the present system, frankly, wasn't working. It didn't provide real universality of coverage. I would be the first to admit that no system achieves complete and total universality of coverage in the true sense of the word; but obviously the present involuntary system has failed to achieve what I think most citizens and most of the car-driving public in Ontario would consider adequate coverage.

Just as we in this Legislature have had to legislate compulsory seatbelts to solve a problem, and compulsory helmets for motorcycle drivers, compulsory safety standards, emission standards and automobile design standards, compulsory safety inspection on cars, so we have moved to the stage, belatedly, that we have to protect the motoring public and in the name of the public good introduce compulsory insurance in Ontario.

I don't intend to get deeply involved in the philosophic dispute about the merits of public versus private insurance. I think some of my colleagues have covered the case for public insurance more than adequately. I recognize there are two philosophic positions on this and I recognize that each has some inherent validity; but I think regardless of our difference of opinion on the merits of each, the record clearly indicates that when our party did introduce public auto insurance in those cases where we were defeated at the polls, the party that campaigned against us and used it as one of the main issues in their election platform did not eliminate, did not abolish, did not do away with, did not substantially change the principle of public auto insurance. I refer to the Thatcher government in Saskatchewan, which was certainly as right wing as you could get; the Social Credit government of British Columbia, the son of "wackey," which is as right wing as I suppose you can get west of the Rockies.

Mr. Martel: Genghis Khan.

Mr. Samis: You can say that if you want. I refer to the most rabid right wing of all the Tory Premiers, Sterling Lyon in Manitoba, who campaigned very vigorously against this aspect of the NDP record. He's been in power I think two and a half years and has yet to abolish it. He has yet to undermine the program, much as he said he would when he was campaigning. I notice right next door to us on the east, the province of Quebec has introduced a modified version of public auto insurance. It was a compromise. The lawyers won their compromise. I think it was introduced by a Liberal government initially and then actually legislated by the present government. I am sure that regardless of the results of the next election in Quebec, whether it's the Liberal government or P.Q. government, the public aspect of their plan will continue.

There are some people in our party who believe in the public approach purely on the inherent philosophical merits, but I would like to suggest there are other people in our party and in society who see it in terms of dollars and cents. They see it in terms of what is actually best for the consumer rather than seeing it as inherently better in the public sector or the private sector. I don't intend to regurgitate all those arguments or the philosophical basis for that.

One of the interesting results in the Quebec experience, when they introduced compulsory auto insurance, was that it had a very positive effect on the number of—I guess you would call them wrecks and hazardous vehicles on the road. I don't have the actual figures, but I recall reading there was more than a minimal decline in the number of car registrations in Quebec when they introduced compulsory auto insurance. I believe it's tied in; you can't get your plates unless you have adequate proof of insurance at the time, and you must buy the public portion of the auto insurance from their outlets, I think in the main the credit unions in Quebec. There were certain people who had old jalopies, purely fringe cars or borderline unsafe, and sometimes dangerous cars, probably worth anywhere from $50 to $200, who just decided, "If the government is serious, if we are going to have this, if this is the law, if I am really going to get hit if I go out and drive this jalopy; damn it all, I might as well forget about it, clunk it and sell it to the junk yard." These people would either get off the road completely or have to go out and buy something that is actually safe.

[8:45]

We do have people like that in Ontario, who haven't made use of the present program and who will probably try to defy or find a way around the compulsory program. Hopefully these people would be intimidated by the fact that this law is going to be in force and that this is going to be the way from now on in Ontario. If they have a car worth only 100 bucks, I would hope they would

decide, rather than take a chance and rather than risk the penalties to get rid of it and either stop driving altogether or buy a worthwhile car.

Speaking very briefly to the matter of penalties, I am strongly in favour of stiff fines and very meaningful penalties for any individual violators of the proposed law. I think we have to stop fooling around and let the fringe element know we mean business on this one, because we are talking in terms of safety, human lives and the high cost of insurance.

I notice in the bill there are minimum fines for individual violators who don't take out the insurance program we are offering, but when it comes to the insurers or the corporations there is no minimum fine, the maximum is just outlined in the bill. I realize there are certain legalistic arguments for that approach, but it does strike me as a little bit inconsistent that the individual has a minimum set for his violations but the insurers don't have a minimum set for their violations.

Finally, I would like to wind up on something that is purely a personal opinion, probably an idiosyncrasy or eccentricity or hang-up—call it what you want. Since we are bringing in this major reform in auto insurance and since we are bringing in the element of compulsion, I think this is the ideal time to ask ourselves at what age should people be driving legally in Ontario.

I really have a hard time trying to fathom in an industrial-urban society why we tell people, "You can't have a glass of beer until you're 19. The age of majority is 18. You can't do a whole host of other things unless you reach the age of 18, but you can go out and get a car and drive it at the age of 16." I can understand that in a rural society and I can understand that in small-town Ontario back 10, 20, 30, 40 or 50 years ago; but in today's society, when one considers the types of cars we do have and when one considers the standards we impose on young people in other domains, it strikes me as somewhat inconsistent and illogical to say people can do all these other things only when they reach the age of 18 but this privilege, and that is what it is, is available to them at the age of 16.

I realize this is somewhat of a tangent. I do want to end by saying I welcome the introduction of the bill and I congratulate the minister.

Mr. Roy: I would like to say a few things about this insurance plan, if I might just reach over and look at the great volume of the select committee on company law. I am interested in speaking especially about the recommendations in the 1978 volume.

I would like to say, before I get talking about the bill, that walking into the building this evening by the north door, the Wellesley Street entrance, I saw a sign there saying "Medicare Bash." I am wondering what that is about. Mr. Speaker, I am sure that you, as one of the gatekeepers of this institution, would want to know what is going on in the building.

I haven't tried tried to follow it, but I look to my friends to the left and ask them what the celebration is about. Has there been a change in medicare?

Mr. Acting Speaker: That is hardly speaking to the principle of this bill.

Mr. Roy: I just want to put that on the record. What is happening with the bash? Are we all invited to it?

Mr. Acting Speaker: I would ask the honourable member to return to the subject matter of the bill.

Mr. Roy: Another thing I would do is pay tribute to my colleagues who have striven so diligently and unselfishly over all these years involved in the select committee on company law. Some of my colleagues have been on that committee for quite some time.

Interjections.

Mr. Roy: I hear some of the nasties coming out over there and I just want to say, speaking to all my colleagues on all sides—the member for Riverdale (Mr. Renwick) has been on this committee for some time, the member for Sudbury (Mr. Germa) has been on it for some time, the members on the other side, my former colleague for Wilson Heights and now, of course, my colleague the member for Kitchener (Mr. Breithaupt) —that they were intent on doing a complete and thorough appraisal of the insurance industry. There was no jurisdiction that was too far and there was no jurisdiction whose weather was too inclement. In other words, there was no sacrifice that was too much for these people to accomplish the task at hand. In other words—

Mr. Acting Speaker: There is no section in this bill dealing with travel abroad.

Mr. Roy: In other words, Mr. Speaker, these people were intent on having a full and complete report and no impediment.

Hon. Mr. Davis: Is he embarrassing you?

Mr. Roy: The Premier is here. My God, the Premier's here and I don't intend to embarrass him.

I was watching that football game Saturday and I thought I was watching the

Toronto Argonauts. Ottawa was playing so badly I was thinking of the Premier. If he had bet he would have finally made a dollar.

Mr. Speaker, I want to pay a tribute to my colleagues on the committee because in my opinion, as one who's had some work in the insurance field—always for the plaintiff, of course, I want to put that on the record—I want to say it's always seemed to me to be somewhat of a strange situation that we allowed people to sort of opt out of compulsory insurance.

Mr. Acting Speaker: Now you're speaking to the principle of the bill.

Mr. Roy: Yes, I'm back to the principle of the bill.

Mr. Acting Speaker: You're not back, this is the first time you've touched it.

Mr. Roy: I want to say that I've always felt, as a general principle, if one is allowed the privilege of driving a motor vehicle there is a corresponding principle which follows—to be responsible, not only for oneself but for third parties who may suffer as a result of his or her actions. So over all these years I've always been in favour of compulsory third-party liability insurance for every motorist in this province.

In so doing I want again to pay tribute to my colleagues who worked to finally get this minister—and I pay tribute to the present minister, even though I want to say to the Premier I don't know what he's been calling the minister lately but things are changing over there. The shirt collars aren't as crooked as they were. They're getting straight now. And occasionally if I throw "Frank," he says, "No way; it's 'Mr. Minister' now." So I tell the members we're minding our manners on this side now when we're speaking to the Minister of Consumer and Commercial Relations.

Mr. Acting Speaker: I wish you'd mind the rules of the House and not so much the manners and get on to the principle of the bill.

Mr. Roy: Yes, Mr. Speaker, I want to say that I fully support the bill. I think it's high time we brought forth this compulsory third-party liability insurance. I really think that finally in Ontario the message will go out.

Having read the bill it's obvious that a lot of people have had a lot of input, including my colleagues on this committee.

Hon. Mr. Davis: Give them credit—give them credit again.

Mr. Roy: I will, because I want to say that when in the dead of winter you get up in the early morning to pick up that Globe and Mail, and you look at that picture, I tell you it's very unfair. The same reporter who chased them down at that time is not around now to be looking at that hefty report. She's not writing anything about that now.

Mr. Van Horne: She's still hiding behind the palm tree.

Mr. Roy: Yes. She's not around this House looking at this bill, looking at what has been accomplished. No way. There is not a reporter around; nobody around; nobody gets credit. I tell you I'm going to give these boys some credit. I think they fully deserve it.

Mr. Worton: This was conceived 16 years ago.

Hon. Mr. Davis: Albert, you want a mint.

Mr. Roy: Don't slow me down, I'm just starting to get warmed up. You want to get on with this. You don't want me to get involved in that principle of public insurance versus private insurance and all this stuff.

Hon. Mr. Davis: I want you to give them credit.

Mr. Roy: No, I will not. All I will say, though, is that from talking to my colleagues to the left I'm convinced there is some merit in the public plan. Obviously, there must be some merit or they would not function as well in the other provinces and in the other jurisdictions, and our colleagues who have been elected in other jurisdictions, whether it's Sterling Lyon in Manitoba or Ross Thatcher in Saskatchewan, and others, would not have changed the system.

But that's not the argument for what is best for Ontario, because my colleagues to my left must appreciate there has been progress in the private plan as well, and by and large, when I compare what is existing now in Ontario under the private plan, for instance, the way small claims are processed—

Hon. Mr. Davis: That is true of everything in Ontario.

Mr. Roy: Yes—involving damages only, involving claims involving the loss of salary, and the smaller claims, the way they are processed, the service is relatively good.

The other thing is, as a lawyer, and one who believes in the rule of law, I have difficulties.

Hon. Mr. Davis: And as one who still practises in the courts.

Mr. Roy: Don't you dare mention conflict of interest.

Mr. Breithaupt: That's not our problem at all.

Mr. Roy: Yes. I would like to put on the record again that I act for plaintiffs.

I want to say I believe there should be some relationship between fault, that fault is still a factor, that it derives responsibility to people who are driving a motor vehicle. I believe as well in the principle called tort, that if one suffers damages, the courts as the final arbiter are still the best forum for determining the loss suffered by the victim, by the individual.

I get concerned. I get concerned, for instance, with the Quebec plan where you have a ceiling on how much one is going to get a month or how much one is going to get for the loss of a limb or the loss of earning capacity and so on. I tell you when you are at the bottom end of the scale, I suppose for the majority of the claims that's fine, but there are nevertheless substantial numbers of claims where people will not be compensated for their loss.

That's where the private plan, that's where the rule of law, that's where the courts and that's where the legal profession come in. To take an approach and say it's a public plan over the private plan is too simplistic.

I would say, and I say with all candour to my colleagues to the left, I have run into insurance agents, insurance companies and lawyers to whom I have said, "Acting the way you are would convince me easily enough that a public plan is best for Ontario." There are people within the system who act as though each victim is a crook, and every person who is collecting, who is attempting to bring forward a claim is going to rip off the insurance company. I don't like that attitude.

[9:00]

We've made amendments to the Judicature Act. I can think of the amendment involving interest, the system involving a large claim from insurance companies who would hold back until the courtroom door and then pay up because they were making money on the basis that they weren't paying any interest or that the interest awarded by the court did not reflect prime rates. All of that has changed.

We're refining the private plan. Things are improving. There's no reason, because we've accepted the principle of compulsory insurance, that automatically you step into the other area and say, "Look at the 183 or so companies and the 36,000 agents: it's a farce; there's no competition," and so on.

I'm not prepared to accept that, Mr. Speaker. I say that not because I hold a brief for the insurance companies or the insurance agents. In fact, I look at them over there. I take it that's what all these fine people are, because the minister keeps looking that way. I notice that more than on other evenings there are more important Tories walking into the House and smiling in that direction. I don't know if that has anything to do with the people who are here.

I do want to say to the dear people, the ladies and gentlemen under the gallery—

Mr. Acting Speaker: Please direct your remarks to the chair.

Mr. Roy: I have run now in three elections —1971, 1975, 1977—and I know there are two free-enterprise parties in Ontario. They should know that, keep that in mind. I want to tell them that in many areas they do know it; but in some, they don't. I'm not going to single out any area, such as Ottawa-Carleton. I'm not going to do that. I wouldn't do that. I do want to say to these fine people—what's that gallery called? Is that the Speaker's gallery?

Mr. Acting Speaker: Under the Speaker's gallery.

Mr. Roy: I do want to say to keep in mind that there is a group of individuals—in fact, the alternative here in Ontario, right here on this side, led by the member for Hamilton West (Mr. S. Smith)—who believe in free enterprise. They'd best keep it in mind.

Hon. Mr. Davis: From time to time he believes in free enterprise.

Mr. Roy: No, no; all the time, all the time; and the Premier knows it. If the Premier were to compare his own record with our leader's record in 1971, the Premier would look like the Socialist. He would. He has reversed himself a number of times.

Remember the Speculation Tax Act? The Premier backed off that. Then he tells the teachers, "You can strike. We have a bill where you can strike." They've got their bill there; it's worked for five years. Now they've got a committee studying it.

Interjections.

Mr. Acting Speaker: Will the member for London North (Mr. Van Horne) either be quiet or return to his own seat?

Mr. Roy: He's being verbally abused by the Premier. He is. I want to say to the Premier it's going to be interesting shortly, once things don't go that well and Joe is still in Ottawa—the Premier will be there for a few more months—who is the Premier going to blame now that Pierre Trudeau is not around any more? That's going to be interesting. Who is he going to blame?

Hon. Mr. Davis: You.

Mr. Roy: Me, yes. That's what I thought. It's going to be the fault of the opposition.

I don't want to take up too much time. I notice my dear friend the minister obviously wants to wind this up in front of the assembled gallery. I want to say we are in support of the legislation and I will conclude by asking the minister a question just to prove that I read the bill, something the Premier hasn't done and that's for the record.

What safeguard does he have in his legislation to prevent an individual purchasing insurance, getting his plates and then cancelling for a variety of reasons? Is there some mechanism where, when he cancels the insurance, he must advise the ministry or something along that line? I see that as one of the evils within the system. Even though one has to take premiums based on a yearly basis, an individual can cancel that insurance and continue driving. When people are intent on driving without insurance, they're going to find all sorts of ways to do it.

Hon. Mr. Drea: It's impractical to do it until he can find a new owner.

Mr. Roy: I guess he'll have to. I'd like an explanation why there isn't some way for the insurance companies to report to the ministry when this cancellation takes place.

You've been indulgent and very patient with me, Mr. Speaker. I'll not hold you up any longer. I'll let the minister go at it.

Mr. Warner: Before making some comments on the bill itself, I would like to pass along my personal thanks both to the staff that served the superintendent of insurance and to the consultants, Mr. Paul Boddy and Miss Ludmilla Jagiellicz. The consultants, in my opinion, provided much-needed expertise and did so in a very objective and complete way.

I wasn't on the committee for very long, just a few months. One of the reasons I enjoyed the work on the committee was the fact that we had experts. The consultants provided us with the material we needed to try to deal with the matters in an intelligent fashion. There is no question in my mind that the report done by that committee is extremely thorough. The document is well worth studying by members of the assembly, and well worth the government's taking a serious look at. I would also mention that the chairmanship of that committee was extremely good. I felt the chairman did a first-rate job in attempting to expedite the matters of our committee while allowing each member to participate fully.

I will say, going into the committee knowing it had sat for many years and was likely to sit for many more dealing with various aspects of insurance, but noting that this particular portion was going to deal with automobile insurance, I had anticipated a rather bitter battle over government car insurance. It ran through my mind that that was what I would encounter on the committee.

I was pleasantly surprised. The members of the Liberal Party and of the Conservative Party who were on that committee had taken the trip out west, they had looked at all the material provided, and what they were left with wasn't a factual argument any longer but an ideological stance. I find that much easier.

If someone else wishes to have a difference of opinion based on philosophy, that is fine. When they have gone over the facts and they realize the facts are there and they are indisputable, then I feel good that the case has been argued and it has been won.

Finally, through the thoroughness of the report, we have put the argument to rest about how evil a government car insurance plan is. That argument is finished, because the evidence is in and it is very clear and unmistakable.

The Conservative and Liberal members of the committee obviously had difficulty in coming to an overwhelming support of a government-run scheme—I understand that—there were many positive comments about a government-run car insurance scheme, one of them being that "the level of apparent efficiency of the government insurance corporation is higher than that of the Ontario insurance companies. The committee has taken great care in reviewing the basis for this comparison. It has concluded that, while the financial information provided to it may not be exact in every detail, it is substantially correct and the comparisons which have been made are fair in substance. The committee cannot quantify this higher efficiency.

"Having reached the conclusion, the committee considers that the apparent relative inefficiency of the industry in Ontario is of serious concern. The committee believes that improvements can be achieved in the operating cost structure of this industry, certain of which may find their origin in the operating methods of the government insurance system."

In other words, if the insurance people in this province would study the government-run scheme, they might learn something and make a more efficient operation in the province. That wasn't the view of only our members; that was the view of the committee in total, and I certainly appreciated

it. What it said to me was that, while the members on an ideological basis could not come to support a government-run scheme, they did recognize from an objective standpoint the merits of a government-run plan.

Of course, as has been pointed out by other speakers, when New Democrat governments were moved out of office for a short while in Manitoba and British Columbia, the successors in both cases not only maintained the programs, but also spoke highly of them and praised them. In particular, the government minister in British Columbia who was responsible for the plan was quoted as having said it was a marvellous plan and he couldn't envisage returning to the private scheme; that quote was given again to the committee members.

I was interested in the comments by my colleague from Ottawa East when he touched on the fundamental rights of lawyers—I think that is the correct term he was talking about, because he likes to represent the people who are grieved in these situations. It seems to me that is, boiled down, the inalienable right of lawyers to sue. That is what it is all about.

The committee, in addressing itself to no-fault insurance, came to a very interesting and positive conclusion; again, this is an aspect which this government should follow through on.

"In formulating its conclusions, the committee began by addressing the basic issue: whether fault should continue to be the fundamental factor to be considered in determining whether compensation should be paid for motor accident losses. The committee is particularly impressed with the capacity of no-fault systems to compensate all victims, regardless of fault, rather than paying only the relatively innocent. It is also impressed with the capacity of no-fault systems to reduce adjusting and settlement costs by minimizing fault investigation, so that a significantly larger portion of the premium dollar will be returned to the public in claims payments.

[9:15]

"The committee accordingly recommends that 'fault' should no longer be the fundamental factor to be considered in determining whether compensation should be paid for motor accident losses. Further, the committee also recognizes that the recommendation that it has formulated served only as an outline for a new no-fault automobile insurance program for Ontario.

"It also recognizes there has not as yet been an opportunity to make any projections as to the cost of the proposed new system, although it is apparent that the savings to be gained from increased efficiency and the reduction in noneconomic compensation claims will in all likelihood offset any overall increases in other claims costs. Exact dollar projections must inevitably be left to the industry and the superintendent and a fine-tuning of the terms can be conducted on the basis of that information."

So it is clear from the comments that the committee feels the no-fault plan is worthy of very serious consideration and would like to see it implemented. In fairness there were some members of the committee who dissented from that opinion, but the majority view was in favour of the no-fault system.

Reflecting on a portion of the principle of the bill which deals with the superintendent being able to look at the rates for the Facility, it seems to me that principle could be followed through. Again the report, dealing on a section of the government presence in rate regulation, mentions: "A broader form of rate regulation is embodied in sections 365 to 367 of the Insurance Act of Ontario. These sections empower the superintendent to order after due notice in a hearing an adjustment of auto insurance rates whenever they are found to be excessive, inadequate or unfairly discriminatory or otherwise unreasonable. However, the sections have never been proclaimed in force."

My memory is a little faulty on occasion. I can't recall whether it was 1932 or 1933 when that section was passed, but it was one of those years.

Hon. Miss Stephenson: 1934.

Mr. Warner: Sorry, I was wrong, 1934—I was out by a year.

So that was first put in in 1934, but never proclaimed. Now for the first time we come back and we are giving a small measure. We are going to put it with respect to the Facility —that makes sense. I would like to see that extended as a principle for all insurance in Ontario.

It is not just myself, but the committee's opinion is that "more emphasis is required in Ontario on rate regulation in order to achieve a better balance between financial stability and the other objectives of rate regulation." There is obviously a need for it.

Most members will conclude if they go through that report very carefully and look at the principles involved in each of the parts that are dealt with—whether it is no-fault insurance, rate regulation or any other section —there is a compelling message in that.

Some day in Ontario—as my colleague from Riverdale says so accurately, whether it is the Conservatives or us—there will be a government-run scheme. Why does this government not take the credit for it now? The people out there will stand to save a lot of money. We had estimates in the committee ranging anywhere up to $45 million a year in savings for this province. They stand to gain and would thank this government. There is a challenge for them.

I put it to them as a challenge because the day we take office, it will be one of our first items of business—a way to protect the drivers of this province from exorbitant rates and to have a measure of equity and fairness about no-fault insurance. That is the kind of protection that is needed in this province. We have waited many years.

The challenge is there to the minister. He has met other challenges before, many of them quite successfully. Here is one more. It is one for which the hundreds of thousands of drivers in this province would thank him because they could save money. They would know they weren't being ripped off and they would have the kind of overall coverage and protection that is needed.

In conclusion, of course I am pleased to see the introduction of this bill. It is long overdue. I must also remind the House that this bill is only one small part of that select committee's report; there are many more important aspects of that report which must be dealt with, and the sooner the better. Let's not wait for the change of government, although I'd be quite happy to make the changes needed.

Mr. Worton: Mr. Speaker, I would like to add a few words of compliments to the select committee that has brought forth this recommendation.

I want to say it has been 16 years since the previous report was brought forth. The father of the member for Hamilton Centre (Mr. M. N. Davison) sat on a select committee with me at that time and it's true, that committee recommended compulsory insurance. If I recall correctly, while his father supported compulsory insurance, he did support a public owned insurance program. Of course, in the period of time that we studied that, we crossed Canada and visited the states of California, Massachusetts, New York and, I believe, North Carolina. Now it has been 16 years. If I can get my medical expression correct for the Minister of Education, I believe it is the longest gestation period that has ever taken place to bring forth a bill and have it passed in this House; 16 years to get something done. Anyway, it is a move in the right direction.

I didn't hear the reply that was made to my friend the member for Ottawa East in regard to his concerns about paying for the insurance and then cancelling it. That was the very problem they were running into in Massachusetts and New York when they had it at that time. By the time they caught up with them, very often a great deal of damage had taken place and a great deal of misery had come about. Maybe the minister can clarify that when he is giving a further explanation of his bill.

Mr. Isaacs: Mr. Speaker, I rise briefly to welcome this bill. I feel it is a great step forward in that this debate is one of the major debates in the history of Ontario. As you know, Mr. Speaker, I have only been in this country for just over 10 years. When I came to Ontario I was horrified to find that motorists' insurance was on a voluntary basis, and that there were many drivers on our roads who were not covered by insurance and an unfortunately large number who were not covered by the uninsured motorists' fund either.

I note that some of the members opposite have been looking at their watches, I suppose trying to convey the concept that they would like to see this matter dealt with very speedily. I understand that and that's why I will keep my comments short, but I really feel that in this Legislature it's very important that debates of this kind, which will go down in history as markng an important day in Ontario, be given full and adequate consideration.

I have been a driver for over 15 years and I have always been one who has carried insurance, but during that period of time I found many flaws with that insurance. Since my time as a local alderman and as a member of this Legislature, I have had even more people come to me and tell me about the problems they have faced with automobile insurance.

One of those problems has been the matter of discrimination or supposed discrimination. I commend the minister for attacking that problem head-on. I want to suggest to him there are many problems as yet unsolved and that insurance companies at the present time are dealing with people in classes. They are treating everybody within the class as if their driving skills and their driving abilities were equal, be they young people or senor citizens or individuals who have encountered an accident situation in one way or another which was perhaps not their fault but per-

haps as a result of another driver. Those people are being put in a pigeon-hole and treated by the insurance companies as a class and, in general, charged a higher rate as a result.

I want to suggest to the minister that is a kind of discrimination and is unfair. We have to find a way whereby automobile insurance is matched to the individual and to the individual's ability to drive. I want to suggest that the public automobile policies suggested by some of my colleagues are perhaps a way of addressing that issue because the private companies that are at present responsible for selling insurance have shown their inability to come to grips with that issue. In fact, when the minister made some of his statements earlier this year, urging the companies to do away with the kind of discriminaton they practise, they responded to him in a very negative sense. They did not appreciate his intervention. I did. I felt it was a tiny step forward. I would urge the minister to find stronger and stronger ways of dealing with this kind of problem.

Another difficulty we have with insurance companies at the moment is the matter of standardization of benefits. Standardization of coverage has in some way been dealt with by the standard automobile policy that most drivers have and there is room for individual preference within that automobile policy, but the standardization of benefits has not been achieved. Despite some of the advertising put out by the larger automobile insurance companies, we are left with a situation where the driver is buying the unknown. When one goes and buys automobile insurance, he really doesn't know how he will be treated by that insurance company if the day comes when he needs to make a claim. I want to suggest that much could be solved by standardizing the coverage.

My colleague from Ottawa East spoke earlier about the involvement of lawyers in this whole process. It seems to me sometimes, and I know it seems to many of the people who are involved in automobile insurance claims, that some of the procedures are put in place deliberately to provide fodder for the lawyers who are involved in the process. I want to suggest much could be saved if we had standardization of coverage and a single system for resolving automobile insurance claims in this province. I would urge upon the minister that he give consideration to that kind of approach.

A problem we also have with out present standard automobile insurance policy that I want to draw to the minister's attention is that an individual in different circumstances can be treated in different ways. One that concerns me greatly is a clause in our present Ontario standard automobile insurance policy that excludes from the benefits of that policy people who are covered by workmen's compensation at the time the accident occurs. That bothers me very greatly because it means that if a person in the course of his job is involved in an automobile accident on our highways, he cannot claim in the same way as an individual who is driving for pleasure or who is otherwise not covered by workmen's compensation. That's just an example of some of the problems we have with automobile insurance.

I believe too we have to come to grips with the matter of limit of liability. Our colleagues to the south in the United States are facing a situation where claims under insurance policies, particularly automobile insurance, but I will generalize as well, are increasing year by year and claim by claim. It seems at the moment the sky is the limit. I want to suggest that is not to the benefit of the people of Ontario. The minister has it within his powers to look at this situation and to come to grips with the matter of a limit to insurance liability so that all of us in Ontario can gain benefit therefrom, rather than having to pay for the astronomical claims being generated by the legal system and the court system.

[9:30]

Mr. Roy: It is not happening here.

Mr. Isaacs: My colleague says it is not happening here and I agree, but it will come unless the government takes action to stop it coming. I suggest we should act before the situation becomes desperate.

I want also to ask the minister about one provision in the bill that relates to some other comments that have been made previously. In section 15(b) the Lieutenant Governor is empowered to make regulations "prescribing identifying markers for all automobiles licensed in Ontario." I would hope that has something to do with some of the matters that have been discussed in association with plate-to-owner rather than plate-to-automobile. In the explanatory notes it suggests it is self-explanatory, and I really don't find it self-explanatory the way it stands.

I hope the minister will give us some assurances about the meaning of that clause and the way it is going to be used in the future because it has the potential to be a very significant clause, but it has no meaning without a better explanation than is provided in the bill.

I want also to suggest to the minister that one major problem remains unsolved, and it may be unsolvable, although I would hope that there are ways of dealing with some of the difficulties. That problem is the people who are suffering now and who have suffered since this bill was introduced as a result of motorists who have been uninsured and who have not paid into the fund that was set up for such motorists.

It has been a very sad situation that those people have gone essentially without any kind of benefit, even when they have been involved in an accident that was 100 per cent the fault of the other driver or of some other individual. It would seem to me that should have been dealt with a long time ago and if there is a way of dealing with it now, then I hope the minister will address it.

Just very briefly, I want to comment on the matter of a single automobile insurance system for Ontario. I know the members opposite consider themselves committed to a free-enterprise system, but now that we are moving into compulsory automobile insurance I want to suggest that automobile insurance for many people in Ontario is taking on the form of a utility that serves the people. Ontario Hydro is a very major utility that is a crown corporation and that serves the people reasonably well. We can have our disagreements with certain aspects of its operation but in general Ontario Hydro is set up to serve and does serve the people.

That sort of model could be used for automobile insurance, but even if the government doesn't wish to go that far, I want to suggest there could be much more regulation of the private automobile insurance industry than there is at the present time. It could be done in ways similar to the ways in which the telephone industry and the cable television industry and other utilities are regulated. We should move towards regulation of essential services that are in the form of utilities and any indication from the minister that greater regulation will be put on the system will be welcome on this side of the House.

Those are my brief comments. As I indicated before, I welcome the introduction of this bill. It is so long overdue that it is sad, but change has to come and I welcome this change, as I will welcome a change at the time of the next election that will lead us to put in place some of the things members from this party have spoken about.

Hon. Mr. Drea: Mr. Speaker, I am going to be brief. I would like to divide this into two sections. The member for Ottawa East and the member for Wentworth asked some particular questions.

To the member for Wentworth: on the particular section he queried it is true that in the case of a change to a plate-to-owner system that section would be necessary. It's just a provision that gives us the authority to cope with whatever changes come when the plate-to-owner system is introduced.

Mind you, the plate-to-owner system isn't just a simple conversion of the record. It also will have something to do with the style and type of plate and when one gets it, type of operation. That's why that is vague and in there; it does give us the authority so at the particular time when plate-to-owner comes the compulsory insurance regulatory provisions will be in step with it.

To the member for Ottawa East: There's no question that some people may have 30-day or short-term insurance coverage purely for the purposes of obtaining licence plates —in the past they did it to avoid paying the penalty fee; now, presumably, they will do it just to get the plates because one will not be able to get a plate without signing one's name on the back of the form where there is also the insurance company name and insurance number. This is a difficult problem, but there is no question that when plate-to-owner and computerization come it will be a relatively simple matter to control, because licence plates simply will not be issued if the insurance number does not punch out on the computer, much the same as the cash register doesn't open now when one's credit card is overdrawn or in default. Until then, I say to the honourable member, it's not the expense or the time-consuming nature of it that's the problem, it's the confusion that would be caused by a manual system.,

For instance, a person might want to change agents or companies for a very valid reason. His insurance is perfectly paid up—and insurance does not always come up for renewal at the time of the purchase of plates; it generally reflects the time of the year when one bought one's first automobile and that carries through the rest of one's life.

For good and sufficient and honest reason —he just doesn't like the service the company gave him—the person might very well transfer over to some other company. The company he left might get its report in first, whereas the company he'd renewed with would do so a little bit later. There would be the difficulty of somebody having his licence suspended by mail when, indeed, his insurance was paid up. On a manual system, I just don't think it's practical.

I agree with the honourable member that this is going to be our main problem in the future. It will not be, as it is now, the person totally avoiding the system and not paying in. The big problem will be the person who at the time of sticker renewal is covered but then lets it lapse. This is my concern.

We say a quarter of a million people who haven't yet broken their maiden in the insurance field are going to be brought into this. Nobody knows. Nobody knows, because on any given day after March 1 one gets into that diminishing return. Have they renewed or are they going to wait until next year?

Mr. Speaker, I want to commend the members of both the official opposition and the New Democratic Party for the very constructive remarks overall they have made about this bill.

Just for a few moments, I want to reinforce something about public insurance. I was read from the select committee report today some of the advantages of public insurance. I think it would also be fair to point out to the member for Hamilton Centre, the critic of this ministry, there was a much more lengthy section on disadvantages and the disadvantages went all the way from the impact on the employment structure to government corporations not paying corporation tax; ratings being too simplistic or inequitable; hidden subsidies; a government corporation—

Mr. M. N. Davison: Mr. Corporate Protection.

Hon. Mr. Drea: Please, please, please. The member read the advantages, I'm reading the disadvantages from the same report. To continue: "a government corporation may become a political vehicle and deviate from sound insurance practice; operational startup problems and cost; vulnerability of labour problems and pressure groups . . ." Does the member know today in Quebec it is only a stroke of Rene Levesque's pen that has the regie operating. They were all ready to go on strike. Who would have paid all those benefits? Every one of those is a bodily injury claim, every one. It's only that signature.

Mr. M. N. Davison: Don't preach to me about operating in the public interest.

Hon. Mr. Drea: Obviously, obviously, obviously, I have struck some blood. I may stay on that for a while. To continue: "no freedom of choice or comparison for the consumer on basic coverage; no right when they go on strike even to get one's car fixed." Do the members remember the ICBC? BC was the junkyard of the world. People were told, "Drive your car because they're on strike."

Mr. M. N. Davison: So now you're against trade unions, is that it?

Hon. Mr. Drea: No, but if we are going to bring in a monopoly situation, we are going to say to the employees of that company, "You have every right to go on strike and to devil with the public," at an appropriate time. That is exactly what happened in British Columbia, and it lasted for three months. That's why the member didn't mention it from 1975 until tonight. It's taken four years to get over what happened out there.

Mr. Roy: Don't mention disadvantages, that's not fair.

Hon. Mr. Drea: I just want to read one other section out of that report:

"It is apparent that while a government corporation may be a credible solution to some problems, it will create a number of new ones and may be incompatible with the free-enterprise philosophy accepted and practised by the business community and a large segment of the public in this province. Government ownership of automobile insurance in Ontario would pose a significant implementation task."

Enough of the disadvantages. I want to come to this question of public insurance from another direction. I point out that the introduction of public insurance in this province, and some members of the New Democratic Party have allowed this little thought to escape from time to time, would have absolutely devastating consequences on the business and financial enterprises of this province.

First of all, more than 44 per cent of all the insurance underwritten in the Dominion of Canada is underwritten in Ontario. More than 50 per cent of the automobile coverage for the Dominion of Canada concerns Ontario drivers. If we demolish 183 competing companies and turn them into one, who is going to pick up the office space? Who is going to pick up all the other things that went with those companies, because most of them aren't going to stay here. There won't be enough volume for them to stay.

Nor, indeed, would there be the capital pool or the investment pool that comes from the very nature of that industry.

They collect premiums at the start of a year on a one-over-365 basis. They may not have to pay out that money for 11 months and in the meantime they invest it. It would all disappear. Instead, the member would have the government collect that pool. I suggest the reason Saskatchewan, BC and Manitoba haven't changed is because the cash flow that comes in on one day or in

one month is so nice they can't afford to change. Those three provinces have slipped the cash flow from the private, competitive market so their government can operate on a deficit basis without it being so apparent and can generate funds without having to go to the market.

What a model the ICBC provides for some members. Have they seen what the ICBC has done lately? The flat-rating? Do the members believe in flat-rating right across the province, regardless of region? In fact they better not, because I can give them some rather devastating figures on the results of flat-rating, as they're doing in British Columbia—no matter where you live and no matter how much you drive you pay the same.

[9:45]

Mr. Charlton: That's also what the Tories in BC are doing.

Hon. Mr. Drea: I see. Now the ICBC isn't quite as holy as when the NDP was in power and ran it into a deficit. They couldn't settle a strike so nobody got his car fixed.

There are roughly 12,000 agents and their support staff in this province, exclusive of the companies that underwrite them. To go into public insurance would be the most devastating attack upon established small business in this province that has ever been contemplated by anybody. It would wipe out those agents, the income and the tax they pay in their local community. It would wipe out their support staff. As a matter of fact, the worst evil of all, it would take away the ability of them to sell their agency. Since they have been self-employed, that is the money they have been counting on for their retirement. And it would be done with a stroke of the pen.

What would happen as an alternative? There would be 10,000 new civil servants in this province in one day. By the way, in the three provinces that have gone this route, the pay that goes to the civil servant—ICBC, Autopac Saskatchewan government insurance —is between 25 per cent and 35 per cent higher per person than when they worked in the private sector. In short, these members would be providing monopoly coverage called "take it or leave it"—whatever rate they wanted to give.

Another of the cute little devices—and the member raised this in comparing prices—the driver's insurance policy may be flat-rated but the penalty points come on his driver's licence. One pays $3 a year in this province for a driver's licence—$9 for three years. How much does one pay for a driver's licence in Manitoba, British Columbia, Saskatchewan? Are these members prepared to concede that a bad driver will pay over $200?

I want to talk about some other little things. What about the leased cars that would be charged for at business rates—not the way they are now?

There would be an automatic staff reduction in agencies writing large volumes of automobile insurance by at least 50 per cent. That's in addition to the agents losing their businesses—indeed, the right to sell their businesses.

Incidentally, these figures are compiled by the new organization in which the member for Sudbury has so little faith. This is from the Registered Insurance Brokers of Ontario, the new self-regulatory body. As a matter of fact, they have stationery from the old Independent Insurance Agents and Brokers of Ontario, the IIABO.

When one considers the many millions of dollars in government subsidy, the many millions of dollars in lost opportunities and the destruction of the most viable small business in this province—which goes right across this province, particularly in the smaller communities—when one takes away the opportunity for people to have that business; when one takes away the need to build large buildings—these people who are so interested in the construction business should be at least interested in preserving the office space requirements in the major urban areas—and so on. I could go on for some time with this.

I want to end very simply. It has been suggested that I am responsible for taking the first step, depending upon which speaker for the New Democratic Party raised this—sometimes it was a small one, sometimes it was a giant one—towards publicly owned and operated automobile insurance. As a matter of fact, it was suggested that somehow I would nail it up on the masthead before I was gone. Mr. Speaker, I will tell you, as long as I am the minister there will not be public insurance in this province. As long as the most distinguished statesman in this country, the Premier of this province (Mr. Davis) is Premier, and this government is here, there will not be public insurance.

This bill is not a step towards anything. I will tell you, within two years I will be so disentangled—and I make no bones about this, this is a straight thrust from my ministry—within two years, I would hope, within one year, we will be so disentangled from the operations of the insurance industry by the self-regulation of the agents, and by certain other endeavours we are going to do with

the companies, including the privatizing within 18 months of the motor vehicle accident claims fund and the records for the future, that no matter who gets in here, Mr. Speaker, there won't even be the opportunity to bring in, with all of its devastating impact and all of its implications, public insurance.

With the passage of second reading of Bill 160 tonight, public insurance is dead and buried in the province of Ontario.

Motion agreed to.

Ordered for committee of the whole House.

SECURITIES AMENDMENT ACT

Hon. Mr. Drea moved second reading of Bill 156, An Act to amend the Securities Act, 1978.

Hon. Mr. Drea: Mr. Speaker, I have a few remarks on the second reading of this bill.

As I said before, the bill deals with a number of points, mostly of a fine-tuning nature to resolve minor questions in the interpretation of the Securities Act adopted in June 1978.

As members know, since that time the commission and staff have engaged in extensive discussion with members of the financial industry. Also, they have gained practical experience with the application of the new act since it was proclaimed on September 15, 1979.

All of the amendments, except the new section 62, have been exposed at length for public comment and have been revised to reflect comments received. I will not attempt to deal with them in detail except to say they will further improve an already good statute.

I understand the changes have been reviewed with the securities commissions in other provinces, and are expected to be included in the uniform legislation which most of the provinces now have under active consideration.

One change merits particular attention, the new section 62 to permit the short form and summary prospectuses. This section is the only one that has not been exposed generally for public comment but its objective is obviously desirable.

When this bill is adopted, the Ontario Securities Commission will publish for comments a draft regulation which, among other things, will permit a short form prospectus for junior mining issues.

As I am sure members know, many junior mining companies have expressed concern with the cost in delays now involved in filing a prospectus with the OSC. I expect a short form prospectus will go a long way to meet these concerns. The draft regulations will also provide for a summary prospectus to be used by mutual funds. I have asked the commission to report to me on its experience with junior mining and mutual fund prospectuses under these new regulations in order that we may consider making similar provisions as to prospectuses for other types of issue. If this experiment is successful it will do much to reduce the burden of the prospectus filing procedure while maintaining investor protection.

As I mentioned when I introduced this bill for first reading, the fine-tuning provisions that it contains include revisions of the takeover bid rules to reflect experience gained in the competitive takeover bids of last winter.

Since I introduced the bill a number of technical concerns have been raised as to one provision. Rather than revise it hastily, I propose to withdraw it in order to allow ample time for consultation prior to its reintroduction in the spring. Accordingly, I will be moving in committee that section 14(1) of the bill be deleted.

Also tonight—and I am sure the member for Kitchener (Mr. Breithaupt) and the member for Riverdale (Mr. Renwick) will probably want to make some remarks—we have here the very distinguished chairman of the Ontario Securities Commission, whose tenure in his position is drawing rapidly to a close. As the minister I would say on behalf of the public of Ontario, notwithstanding there was an agreement with Mr. Baillie as to what his tenure would be, the "rapidly" is approaching just a little bit too rapidly.

This will probably be his last appearance as an adviser to a minister, either in committee or before the House. His record of service as the chairman has been distinguished and outstanding. His record of accomplishment would really take a considerable time to document. He has served the public, the investors, the securities industry, and indeed the entire business community admirably and well.

As I mentioned, with the passage of Bill 156 there probably will not be another occasion for him to appear formally before the House or in committee as an adviser to the minister. I think it only appropriate that the Hansard report marking the start of the progress of this bill to the Legisature does reflect some comment, however inadequate, of the job Mr. Baillie has done as the chairman of the Ontario Securities Commission.

Mr. Breithaupt: In starting my remarks with respect to Bill 156, it would be appropriate for me also to add my point of view with respect to the involvement James Baillie has had in the securities commission during these last several years.

Perhaps it is because I have been here for just a few years now that I look upon someone like Jim Baillie as a young man; yet he is one who has made an exceptional mark, not only in the practice of the law but also in the opportunity he has given to those of us who have met with him from time to time with respect to his knowledge of securities legislation.

He clearly has brought to this task an expertise which is remarkable. Certainly the persons I have spoken to from time to time who are in the somewhat more active securities business, as brokers, as dealers or as persons on the floor of the Exchange or whatever, have consistently viewed his involvement as a very happy occasion.

I suggest what he has brought to us has been two particular points of view. First of all, he was involved in the provision of the securities legislation last year, Bills 7, 8 and 9 as I recall. We spent some time on detail in the committee in the spring of this year looking over in depth the involvement of what those bills might bring. He brought those bills before us as an administrator of that legislation, but more important he also had the opportunity of bringing these bills before us from the entirely balanced point of view of someone who was knowledgeable in the field of security, of someone who was mature in the approach he has taken for the responsibilities he has had and of someone who really has had a leadership obligation within securities legislation in Canada that is truly second to none.

It is clear, as the minister commented earlier, that the involvement of the chairman of the Ontario Securities Commission really sets a tone and an obligation across the country. Surely it is important for our legislation to have a common background, so that particularly in the common law provinces outside of the province of Quebec we have a consistent and thorough point of view that is clear, and we have an opportunity to make sure the law which we pass in Ontario is truly the common approach the rest of the provinces will take.

[10:00]

We have seen in the attitude and in the style and intelligence Mr. Baillie has brought to this task that his point of view from time to time on a variety of legislative commitments has been accepted by those in other provinces as that of one who clearly knows what he is talking about. He clearly has given leadership to which we can all refer.

Certainly in the year or so I have been the critic in this ministry, I must say, Mr. Speaker, my relationsihp with Mr. Baillie has been excellent. He has always been thorough and clear in the point of view he has brought with respect to the details of legislation that have come before us from time to time.

It is clear in reviewing the Ontario Securities Commission bulletin, or indeed looking at the interviews in the press, whether it is the Financial Post or the other newspapers, whether it is looking at the journal articles or the other things we have seen from time to time, Mr. Baillie is a person who has brought a substantial amount of expertise in a short and concentrated time to the job which he has.

I wish him well as he returns to a private practice; I am sure we will hear much more of him in years to come. It is my pleasure to second the remarks the minister has made in this opportunity we have to comment upon the service Jim Baillie has brought to the people of Ontario, to the government, the Legislature, and indeed the commercial community within the province with his own expertise, in this possible last circumstance we have to see him in action in this post as we deal with the amendments to his bill.

The minister has commented from time to time, not only in his initial statement but this evening, as to the provisions of this bill. We have seen here a compendium of the amendments which are necessary to this bill, amendments dictated by what experience over this past few months has shown should be developed because of changes in securities legislation and in the operation of the securities market.

Perhaps you will recall my earlier comments in the ministry's estimates, as we looked at the opportunities for increased junior mining participation, and the opportunity as well to have new products available without some of the difficulties of the more senior securities, as has been the case in Ontario over these past several years.

I am sure the members from northern Ontario are well aware the development of new mining prospects, and of a variety of other opportunities, has been somewhat constrained over these last few years because of the rules as they now exist.

I recognize we have a responsibility to the investor to make sure a basic amount of information is available so that the bucket-

shop operations, and all these tragic stories we hear from time to time, the con jobs and all this sort of thing, are not maintained with the presumed authority or imprimatur of the government of this province. Of course none of us wants that. There seems to be a middle ground, and that middle ground is something for which the somewhat circumscribed prospectuses for junior mining companies, and the involvement with respect to that kind of development, is available for investors in the province of Ontario.

In this amendment bill, Mr. Speaker, we have also dealt with the takeover bid situation to some extent. I understand from discussing it with the minister that some of the provisions which otherwise would have appeared in this bill are to be reconsidered, particularly the first portion of section 14, which is not going to be proceeded with at this time.

I think that is reasonable, in looking at the involvement from the mining and business community, if they are of a view, on a calm reflection, that this kind of an amendment is not going to be practical at this point.

The early amendments in the bill are things with which I certainly agree. I look particularly at section 11 which deals with interim financial statements. We also look, later on, at the various changes to the later sections of the bill that deal with a variety of amendments which are going to avoid interjurisdictional conflicts and which are going to give the opportunity to the Ontario Securities Commission to have extraterritorial meetings to ensure that consistent securities law does develop, not only throughout Canada but also with respect to the American jurisdictions in which our own investors are also involved.

A number of these matters are housekeeping matters which I think can be dealt with quite promptly if there is a need to deal with this bill in committee.

The whole matter of takeover bids, of course, has been of great concern to Mr. Baillie and his colleagues on the securities commission. We discussed this at the time the bill was dealt with last year in that earlier package of Bills 7, 8 and 9 to which I referred. This was also discussed at the time of estimates. I am quite aware the minister has been concerned about this flurry of takeover matters that just didn't seem to work out as far as having consistent approaches to legislation was concerned and as far as minority shareholders aind other individuals being clearly knowledgeable about what in fact was going on was concerned.

This is a new phenomenon, I suppose, within the Ontario securities world. We have found, in looking at the operations of a variety of companies, that they have chosen to use their funds to buy other companies. I suppose if one were in the aquarium business one would wind up reviewing the circumstances based on the fact that bigger fish eat smaller fish, but the end result, of course, Mr. Speaker, as you are well aware, is that you don't wind up with any more fish. Possibly it could be that we are using funds only because there's no better purpose to use them to buy other things. Indeed, it may well be a burden on our economy in these next few years that instead of creating more fish, all we will really be doing is creating bigger fish. Of course, only time will tell on that point.

Mr. Wildman: Sharks.

Mr. Breithaupt: They may be sharks from one point of view, I don't know, but the end result is simply there. We are not necessarily creating more opportunities for investment or more detailed and interesting obligations, as a result of which the stock market could show or sell shares. We are simply developing a larger and larger, almost merry-go-round of investment opportunities which really do not create anything new.

The purpose of this legislation is clearly to encourage the continuance of a standard of securities legislation within the province. As we look at those earlier Bills 7, 8, and 9, to which I have referred, certainly it was the obligation, I think one that was cheerfully accepted but one that was also clearly on the mind of the securities commission as it brought these bills forward to the minister, that we in Ontario were setting a standard for securities legislation within the province. The provisions of the proposed Bill 132 have now been withdrawn and reworked so that we see the details of them in Bill 156.

The two concepts the minister referred to with respect to the short form of prospectus and with respect to the summary statement are both, I think, items that should be encouraged. We have had, as I have said earlier, the prospect of more junior mining obligations which I believe will be useful within Ontario, and yet we have the obligation to make sure those prospectuses and the information available to investors are on a sound basis. This, I hope, will be a happy combination of the needs for the future prospects of our security development with the consumer involvement for which we are all responsible.

I welcome these amendments, because I think they will add to the basic securities legislation we now have, and I presume that at the committee stage of the bill a variety of details can be discussed at some greater length.

Mr. Renwick: Mr. Speaker, I also would like to have a word about the chairman of the commission. I think he is much too level-headed to take all the remarks that were made about him tonight quite to heart. The imporant thing is that the first experiment by the commission in something called the revolving-door theory of chairmanship for the commission has been a very successful one.

I take some small satisfaction that it was a matter discussed in this assembly on a number of other occasions that in this particular commission this was an appropriate way in which the chairmanship should be established, that someone from among those knowledgeable in the industry should serve a specific period of time as chairman of the commission and return to that industry, and the sooner we had established the kind of acceptance of that process the better it would be for the regulation of the securities industry in the province. Mr. Baillie, during the course of his tenure, has not only established that principle but he has also established it in a way which I assume will continue to be the guiding way in which the ministry and the goverment will make the selection.

Mr. Baillie had, in addition, the opportunity of finally bringing to conclusion this process of the new Securities Act which had been going on for much too long. Too many amendments were required and the new act was too long in coming, but under his chairmanship we finally did achieve that particular event.

However, it poses an immense warning to this assembly. I say quite bluntly and quite candidly: Even in a minority government situation in the standing committee on the administration of justice dealing with this bill, when in theory at least the government's intentions on a particular clause in the bill could have been amended by an amendment proposed and accepted by the two opposition parties or in the assembly, there was not a single amendment proposed by anyone in this chamber that was accepted.

The reason it wasn't accepted, of course, is that we were bit players in a process in which this Legislature was not involved. It was not involved for a number of reasons, not the least of which is that when you have a single statute and a series of detailed regulations about a particular industry, there is a pool or a school of experts in the financial community, in the legal profession, in the accounting profession and in the others who become so highly expertise in the understanding of all the minutiae of the regulations and the law surrounding the securities industry that it is very easy for those in that industry to treat this forum and these members with something less than having anything useful to say about the process of change and accountability.

[10:15]

I issue this warning to the minister, that that's what happened in the case of this bill. It is no reflection on Mr. Baillie, because Mr. Baillie happened to come with a very high sense of public obligation and public duty to discharge to the commission. That was fortunate, but I want to say that the bill went through, I believe, something like six different versions and that none of them, except this final draft, got to second reading in the assembly. In other words, they had been gone over in minute detail, not in a public forum but in the offices of the commission with the representatives of the industry, over a considerable period of time, until they were so refined—so refined in their interest, not the public interest—that the bill which came before us was not capable of amendment.

We had the nerve in committee to propose a couple of amendments. I don't need to go over them. They are amendments which could well and truly have been made in the public interest, but there was no way in which this assembly could amend that bill. I think it is a startling reflection on the accountability to this assembly of that commission that a bill of this magnitude and this complexion, while it was amended in committee not a single amendment was passed that was proposed by any member of this assembly. Each and every one of them were very refined, specialized amendments that came to light in this ongoing process of which this bill tonight is the next stage.

There was constant and continuous refinement by discussion between the commission and the industry. That is no reflection on the commission. The commission, as I said on second reading of the Securities Act in 1978: ". . . has all of the earmarks of that kind of a commission that requires public scrutiny, intense expertise, intense internal morale, intense sense of its public obligation, but so intense that every now and then, for example, it goes a little awry in its sense of what is and what is not in the public interest."

It is quite interesting, for example, to read: "Relevant policy statements promulgated by

the commission generally obligate issuers to make immediate public disclosure of changes in the issuers' affairs that would be likely to affect the market price of their securities. The policy statements recognize that in certain cases the attainments by an issuer of valid business objectives might be compromised by public disclosure and that in such cases a delay in disclosure may be appropriate.

"In a recent situation, a large Canadian industrial company, whose common stocks are listed on the Toronto Stock Exchange, discovered that for the first six months of its fiscal year it would report earnings greatly in excess of its earnings for the corresponding period in the preceding year and greatly in excess of what had generally been anticipated.

"At the moment when this happy fact became clear, the issuer was in the process of settling a contract with a labour union that had struck one of its plants. The chief executive officer of the issuer telephoned a high-ranking Ontario Securities Commission staff member and explained that the company would prefer not to release the good news until after settling the labour contract. His call was consistent with the timely disclosure policy statements, which advised that if management has an unusual or difficult situation confronting it, it should discuss the matter promptly with the commission.

"The commission official, who apparently was somewhat troubled as to whether he had exercised his discretion properly, told the issuer's chief executive that under the circumstances it would be permissible for public announcement to await the filing of the issuer's six-months financial results in the normal course.

"Different people will have different answers to the question whether the desire on the part of an issuer's management to secure the labour of its unionized employees at the lowest possible price constitutes a valid business reason for non-disclosure under the securities laws of a favourable material change in the issuer's earnings, but it seems highly doubtful that if the question had to be confined publicly by rule rather than privately by telephone the provincial government or the securities commission itself would declare an ongoing collective bargaining situation to be a valid business reason for non-disclosure of favourable developments relating to the issuer." If the regulator would not put itself on the line publicly it is doubtful that it should do so privately.

That focuses the point I want to make: that this assembly or a committee of this assembly has to devise a method by which it does not abdicate knowledge of what is happening in the financial markets of this province to the expertise, however well motivated and however well established and entrenched, of the Ontario Securities Commission in that very close relationship it has established with the industry.

A second example, Mr. Speaker, is that under the single clause which says that the commission has power to order the Toronto Stock Exchange and to give directions in all other things to the Toronto Stock Exchange, it is very significant that practically all of those relationships are done in private and by telephone, not by direction.

I want to make it very clear that I have very serious reservations about the process which is going on. I say to the outgoing chairman, with the greatest respect, that during the period of time when his term of office may be ending and his successor may be coming into office he instill, at least in his successor, what I believe the chairman of the commission at this time has for this assembly, some degree of respect about the responsibility of this assembly in this field.

I say to the minister that he has to ensure this assembly a method by which a committee of this assembly is seen to have a close working relationship in this building with the ongoing processes of change which take place in the minutiae of this highly sophisticated business we're involved in. Let me perhaps suggest a possible avenue by which this could be accomplished.

By the way, I want to pay a minor tribute to the Ontario Securities Commission. In this morning's Globe and Mail under the byline of Stan Oziewicz there was the article about "Ontario's Use of Secret Rules Well Hidden, Researcher Says" and talks about "secret law"—that is all of the internal rules and regulations that are not available to the public at the present.

I want to say that does not apply to the securities commission. I think by and large there isn't something called secret law hidden away in the interstices of the commission. Their requirement is full, complete and true disclosure of all of the affairs of the corporate issuers, and in a funny way that has worked within the commission so they're a fairly open body. I did want to make the point that despite what may be the case in the Workmen's Compensation Board and other agencies of government and in the interstices of government ministries, that's not one of the failings of the Ontario Securities Commission.

Let me compliment the commission on what I think may be a possible avenue by

which some of my concerns can be allayed with respect to this question of accountability in this chamber. The commission has very rightly done what we have tried to urge the government to do on many occasions. That is before filing and publishing the regulations in final form, to provide a forum by which detailed and complicated regulations for which we grant authority in almost every statute could have some public exposure and discussion before they are finally promulgated.

It is very interesting that under the aegis of this commission, under the chairmanship of Mr. Baillie, seminars were held, I believe three or maybe more. Three or four seminars were held at which the regulations were made available in draft form, and were discussed in detail. The commission came forward and explained those regulations as they related to the new law which was coming into force. The result was that those who had to live with those regulations had a real opportunity to understand what was in them.

I would hope some other ministries of the government would adopt the same procedure with respect to detailed and complicated regulations. We happen to have a body which performs an abortive function in this House called the standing committee on statutory instruments. Anybody who has sat on that particularly dreary committee perhaps would welcome its use as the body before which regulations under such statutes as the Securities Act or any other act, the Environmental Assessment Act for example, would be referred in draft form for public input, public discussion and public understanding.

I'm quite certain this suggestion will not be picked up by this government, but it is a suggestion that might possibly provide the link between this assembly and the Ontario Securities Commission. I say that because of the funny process of the establishment of the words that actually find their way into statutes. Our regulatory powers are so broad they have already found their way in many cases into the regulations and it's only after they have had a refinement in that process that they become amendments to the actual statute. So the standing committee could very well perform that useful function. The securities commission and the industry would come to a standing committee of this assembly and the expertise which is lacking among most of the members of the assembly about the workings of this highly sophisticated and knowledgeable field would be seen here and would be understood. The member for Armourdale (Mr. McCaffrey), for example, would be an ideal person to be part of that process.

I've talked about those two or three matters because they are of immense concern to me, and should be to this assembly. That elitist, proud group who administer the securities laws of this province from time to time have to understand that noblesse oblige is no satisfactory substitute for the public interest, and this is the place where the public interest is.

That is not to chastise the commission. It is the fault of this assembly that we have allowed it to happen. I, for one, was very upset to have sat through the committee hearings of the Securities Act, which was passed and is in force as of last September, and to find that this assembly couldn't change one jot or tittle of that legislation even when there was a majority in the assembly. I need not rehash the occasion when we could have passed an amendment to the act and in all good faith we accepted the deferment of it so that it could go back into the digestive process. It never ever did quite come back again and so we do not have the one amendment that might have been passed.

I have gone on at much too short a length, but it appears to be about 10:30. I think the remaining items could be well dealt with in this bill in committee of the assembly.

Mr. T. P. Reid: Mr. Speaker, I'm not sure the bill is ready to go to committee yet. I would like to adjourn the debate.

On motion by Mr. T. P. Reid, the debate was adjourned.

[10:30]

ESL PROGRAMS

Mr. Speaker: Under standing order 28, a motion to adjourn has been deemed to have been made. The member for Oakwood has indicated his dissatisfaction with an answer from the Minister of Education dealing with English as a second language for Asian refugees.

Mr. Grande: Mr. Speaker, on November 16 I asked the Minister of Education to inform the Legislature in a clear, concise, unemotional manner how many provincial dollars have been allocated or will be allocated to boards of education to set up English-as-a second-language classes for the 6,000 refugee children the ministry itself expects will be entering Ontario's schools within the next 12 to 14 months.

Approximately 800 of these children are already here in Metropolitan Toronto alone. The minister also said 90 per cent of these children do not speak any English or French.

The minister's answer was the weighting factors within the legislative grants will accommodate almost all these children. As far as I'm concerned, in the minister's own words, that is factually incorrect. As a matter of fact, in my own words, I will say to the minister that it is total and utter nonsense.

The minister obviously should be more knowledgeable in terms of how the grant structure functions from the Ministry of Education and how provincial dollars flow to the boards of education. The minister should know how the weighting factors work. Let us take an example. If a teacher of English as a second language started to work in September 1979, the teacher is counted in the June 1980 board report. In June 1981, the weighting factor recognizes this teacher and generates provincial funds. In other words, it is approximately 15 months after the fact that provincial funds are generated.

I don't think the minister should go unchallenged in always saying the grant formula generates money. Clearly, this is an emergency situation. I would like the minister to be addressing this problem in a more serious manner.

In answer to my supplementary, the minister returned to saying the grants are going to look after the problem. As far as I'm concerned, this stubborn attitude of the Minister of Education is definitely not going to help the education of the 6,000 refugee children who are going to be coming into this province within the next 12 to 14 months.

Two possible courses of actions will follow if the minister does not recognize the intensity of the problem. One is the boards would have to rely on the local resources they have. If those resources are not adequate, so be it. Hundreds of children will sink by being placed in the regular classroom, a classroom in which they don't understand the language the teacher speaks. This certainly is not a way to treat the introduction of immigrant children into the school system.

If the boards do have local resources and can muster local resources, that particular burden is going to fall totally upon the local taxpayers. I'm sure the minister realizes this situation is a very sensitive one and certainly not conducive to the education of the immigrant children, when the community around them begins to feel it has to absorb the whole shot of this education on a regressive property tax.

Clearly, the minister has the information, which was provided during the justice committee hearings, at which she was not present. Therefore, the minister should not really be shocked at the figures I used in my November 5 question.

What the minister should be doing as fast as possible is conduct an inquiry into this situation and to begin to put in the money so that boards across this province can look after their needs.

In the justice committee, we had an answer from the minister to that particular problem; that answer said the ministry is actively looking at ways to provide additional financial assistance to boards that provide this particular service for the refugee kids.

The minister herself is going backwards in saying the grant structure will look after the problem. The minister has to look seriously at this problem, and playing the numbers game is certainly not going to do any good to the thousands of children who need English as a second language; not only the Vietnamese kids who are coming in—

Mr. Speaker: The honourable member's time has expired.

Mr. Grande: —but also those children who are not getting the proper ESL language classes right now.

Hon. Miss Stephenson: Mr. Speaker, in the several months since the influx of Indochinese children, primarily Vietnamese children—began to occur in Ontario, there have been approximately 1,812 who have arrived in this province.

At the present time, in the mid-northern region there are 12; in the northeastern region there are 38; in the northwestern region there are 39; in the eastern region there are approximately 500; in the western region there are 302; in Metropolitan Toronto—in the central region—there are 921; totalling 1,812 students.

These students are concentrated primarily in the city of Toronto, although, as I suggested, there are a number who are in other areas of the province. The Toronto Board of Education has 760 students at this time and estimates the extra costs that will be incurred for teachers, interpreters, educational assistants and translation services will be approximately $100,000 in the next year, and not the figure of $1 million to which the member for Oakwood alluded. The North York Board of Education has approximately 900 students within its jurisdiction at the present time, and feels it may need to hire a community relations officer as well as extra teachers above the formula that is appropriated to it. The other five Metropolitan Toronto school boards have an average of 12 students each within their systems at this time.

It's interesting that the mid-northern region, with a total of 12 students, is attacking the

problem in one way. The northeastern region has a very special situation in that three school boards in the northeastern region are co-operating to provide services in one location for all of those students. The 36 children, and the adults who have accompanied them, have not been integrated into any regular educational system at this time, but are being taught through a mechanism that has been esablished, uniquely, by that board.

The northwestern region has approximately 40 students, including 14 in the Lakehead board and 13 in the Fort Frances-Rainy River board. As I said, the western region has approximately 302, and the city of Ottawa has almost 500, accounting for that number in the eastern portion of the province.

Under the ministry's regular funding arrangements, school boards receive funding for provision of education for every new Canadian student who enters the school system in Ontario. In addition, there is appropriate funding over and above the regular per-pupil grant, and it is provided to school boards for programs and services for newcomers in English as a second language as well as in French as a second language.

These arrangements apply to all the newcomers who come into the province, and most certainly will apply to the Indochinese refugee students from Vietnam. But we anticipate, based on available estimates at this time, there will probably be about 50,000 Indochinese refugees in Canada within the next 18 months, and we anticipate about 20,000 to 25,000 of those will settle in Ontario, about half of whom will be school-age children.

We had anticipated they would arrive within the province at the rate of about 1,000 per month, but that rate has not as yet been met; the arrivals have been at the rate of about 400 a month over the last several months. As I suggested earlier, and as was mentioned by the honourable member, about 90 per cent of this total number of children will speak neither English nor French..

The funding mechanism is there, it is in place for dealing with these children, but because of the nature and the size of the problem, although the weighting factors for 1980 have not been totally finalized in the general legislative grant, the language instruction weighting factor for Indochinese refugees is certainly going to reflect current programs and services. The number of English-as-a-second-language teachers providing programs and services for Indochinese pupils in 1980 will be used in the calculation of the language-of-instruction weighting factor for that year.

We intend to move to a current funding basis for this program in order to ensure that no board is disadvantaged in attempting to meet this increased responsibility, which weighs heavily upon the boards but which reflects the generosity and the kindness of Ontario people and the people of Canada.

The House adjourned at 10:40 p.m.

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No. 114

Legislature of Ontario Debates

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Third Session, 31st Parliament
Thursday, November 22, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, NOVEMBER 22, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

FARM MACHINERY

Hon. Mr. Henderson: Mr. Speaker, the farmers of Ontario invest about $300 million in machinery every year. When this much money is at stake, it is essential the farmers have a reliable supply of new machinery, a dependable supply of repair parts and first-class repair service.

The government has been working with the farm representatives and with the people from the farm machinery industry to develop a program which will ensure that farmers get the kind of service they need. The program will be administered by the Ontario Farm Machinery Board, which has members representing farmers, manufacturers, dealers, wholesalers and the Ministry of Agriculture and Food.

The program centres on a certification program. Certification of distributors and dealers will be granted by the farm machinery board in accordance with standards which the board is in the process of implementing. Certified companies will offer a new equipment warranty which will meet or exceed the minimum standards set by the board. They will also guarantee to provide repairs and replacement parts in a reasonable time. They will also provide sales agreements with standardized conditions of sale.

Those provisions are crucial. When a farmer spends $70,000 or $80,000 for a piece of equipment that turns out to be faulty, he must be able to get some satisfaction from the dealer, distributor, or manufacturer of that equipment. When it comes to repairs, a farmer cannot wait. If his machinery is out of operation for a week due to breakdown, he can miss the crucial schedule for planting or harvesting and thousands of dollars can go down the drain. Delays are more than just a costly nuisance to farmers, they can be disastrous.

To undertake this program, the Ontario Farm Machinery Board has been enlarged and its responsibilities have been augmented. As well as developing standards and administering the certification program, the board will distribute educational information on farm machinery. It will also conduct special surveys and investigations and it will mediate disputes between purchasers and suppliers.

I might say we have found the farm machinery industry most willing to co-operate with us in this program. I believe it will work smoothly once it gets going. I am sure farmers and the industry will find it extremely beneficial to their business dealings.

CAS FUNDING

Hon. Mr. Timbrell: Mr. Speaker, on behalf of the Minister of Community and Social Services (Mr. Norton), I would like to inform the House about a major reform of the funding of the children's aid societies that is being introduced in 1980 and 1981. This new approach is being presented by the Minister of Community and Social Services to all children's aid societies and municipalities at four regional meetings today and tomorrow in London, Sudbury, Toronto and Kingston, thus the reason for my making this statement on his behalf.

The government has been consciously and deliberately moving dollars from the residential portion of children's services into community-based programs such as prevention and foster care. The success of these initiatives, however, has been hampered by the current method of funding societies. This method provides societies a disincentive for using nonresidential services and rewards societies for making use of purchased residential care.

The present practice of attempting to control society expenditures on a line-by-line basis results in lengthy delays in the budget approval process. This practice, combined with the current use of funding, places the government, the societies and municipalities in a state of uncertainty about the total cost of society services.

The new approach to funding, which avoids the extremes of no controls, on the one hand and massive red tape on the other hand, is called the services approach. In very broad terms, the provincial government will define the types of services it wishes to pur-

chase—prevention, residential care and so on. It will then set aside specific amounts of funding for each one of the services desired and seek to establish consistency in the rates paid to agencies for similar services. The services approach is aimed at minimal government intereference in internal agency operations once these services and their costs have been agreed upon.

For children's aid societies, this new approach to funding means that the budget allocation will be made clear earlier than currently happens. The government's goal is to finalize budgets as early as possible in the new year. Second, unless there are exceptional circumstances, societies will be expected to operate within their budgets, which are intended to cover their full costs. In return, societies will be permitted a great deal more flexibility in how they manage their resources within their total budgets. For example, societies may reduce the total amount spent on expensive residential care and apply these savings to services in the community.

Third, in 1981-82 the governnment will begin to allocate all new funds to societies in a manner that reflects the numbers of children in the areas they serve. The allocation of these funds will also be adjusted to reflect social, economic and geographical differences among areas. Both municipalities and societies will be consulted during the coming year on the factors to be applied. In the interim year, 1980, the allocation of new moneys will be based on a fixed percentage increase over the 1979 approved society budgets.

Fourth, a substantial reduction will be made by mid-1980 in the total amount of reporting and form-filling required of societies. Fifth, the ministry will provide both societies and municipalities with regular statistical information and analyses that will assist them monitor the performance of children's aid societies with respect to their own goals and the performance of other societies. Finally, and perhaps most important of all, the services approach will strengthen the role and authority of the boards of directors of societies in the direction and development of their agencies.

For municipalities the services approach also means positive changes. Firstly, it will more firmly establish municipalities in their role as cofunding partners. Knowing more clearly and earlier the nature and size of the allocations made to societies and having access to the same financial data and analyses provided to the societies, municipalities will be able to participate more effectively in the budget review and approval process. Second, municipalities will know early in their own fiscal year what the total cost of their society's budget is likely to be.

The new approach does not affect, of course, the present 80-20 cost-sharing formula for the funding of societies, which we are currently addressing with the special committee on children's services established through the Provincial-Municipal Liaison Committee.

It is not possible to outline today the exact amount of funding individual societies will receive for the 1980 budget year. To determine the base figure from which the 1980 budgets are to be calculated it will be necessary to estimate the amount of any 1979 supplementary budgets, subject to later verification. Otherwise, our goal of early notification of the full 1980 budgets would not be met.

The full amount set aside in the provincial budget this year to cover special projects of children's aid societies will become part of the societies' base budgets for 1980. I am pleased to be able to announce that the increase to societies in funding for 1980 will be a further eight per cent added to this base. A one-time expenditure of $120,000 will also be made among eight agencies which are at the bottom in terms of salaries, to place them in a more appropriate starting position as the new approach takes effect.

The new approach to funding children's aid societies introduces a new management relationship among the provincial government, societies and municipalities that stresses service to children and families, greater accountability of societies and their boards and greater local autonomy and flexibility. It is the hope of the government that it will be well received by both societies and municipalities since it is clearer, simpler, fairer and more equitable, and should reduce budget review and processing costs. The children of Ontario should be better served because of it.

The introduction of the services approach to funding of children's aid societies is part of a broader plan to phase in this approach for the funding of all children's services programs within the Ministry of Community and Social Services. A full discussion of the problems of children's services funding and the overall strategy to address these problems in the 1980s will be included in a policy paper which will be released by the minister in December. A summary of the contents is being released today and copies will be placed in all members' mail boxes.

TRANSPORTATION OF DANGEROUS GOODS

Hon. Mr. Snow: Mr. Speaker. Last week during my absence, my colleague, the Provincial Secretary for Resources Development (Mr. Brunelle)—

Mr. Speaker: Order. A copy of that statement has yet to be transmitted to the opposition. The honourable minister may proceed.

Hon. Mr. Snow: I'm sorry about that, Mr. Speaker. Because of all that, I'll have to start over again, because I don't want my train of thought to be interrupted. Last week during my absence, my colleague, the Provincial Secretary for Resources Development, advised this House of the status of the proposed federal legislation for the regulation of the transportation of dangerous goods. Briefly to refresh the members on the subject, let me say that since 1976 the transportation of dangerous goods secretariat of Transport Canada has been in existence. Its efforts were undertaken at the request and continuous co-operation of both industry and the provincial ministries concerned with ensuring the uniform—and I stress uniform—application of dangerous goods regulations across the entire country, as well as the interchange of such freight between any and all modes of transportation.

The proposed system would regulate the packaging and container standards, labelling, storage and transportation of dangerous goods; prescribe documentation requirements for the movement of such goods; provide emergency information, procedures and authority regarding dangerous goods transportation incidents; and prescribe penalties and liabilities for the contravention of the proposed regulatory provisions.

As members of this House should now be aware, the draft federal Act was introduced in Parliament in May 1978 as Bill C-53 and was reintroduced in November 1978 as Bill C-17. However, it died on the federal Order Paper at dissolution this past spring.

For our part, the Ontario government passed the enabling legislation; that is, we amended the Highway Traffic Act to accommodate the adoption of any federal code by reference two years ago. In fact, third reading of that bill was given on November 8, 1977.

On my return, I was advised by my people that the new federal Minister of Transport, the Honourable Don Mazankowski, introduced Bill C-25—which is the new bill to replace the previous two I mentioned—on Monday of this week.

The provincial secretary also advised the members of the existence of three elements critical to the full implementation of this proposed federal system of regulation.

[2:15]

First, the act and code of regulations are being developed as separate and distinct instruments to permit the provinces to implement the code in co-operation with federal administrative procedures. Second, by virtue of our constitution the act and code intervene in a most difficult area of overlapping jurisdictions. Third, the federal, provincial and municipal governments will need, individually and jointly, to make a large number of arrangements concerning the administration, enforcement and funding of the system.

There are members here today who are pressing for rapid decisions in this matter and in the afterlight of what happened in Mississauga all members should. But I can tell them it has been an ongoing matter of prime concern with me over the past few years. For example, on four successive occasions while at the Canadian Conference of Motor Transport Administrators, I and my provincial counterparts and senior staff members have pushed and prodded for action, formulating and passing resolutions calling on the federal government to act with dispatch. I cannot enumerate the number of telephone and face-to-face conversations I had with Mr. Mazankowski's predecessor, Otto Lang, on this same subject.

As the Provincial Secretary for Resources Development candidly pointed out, the act and code intervene in a broad area of overlapping jurisdictions. Just the same, when one considers the amount of goods, including hazardous and dangerous commodities, crossing Ontario borders, one can understand why I have strongly supported complementary Ontario legislation to any federal act and why I so vigorously urged Ottawa to move on Bills 53 and 17 and now on Bill 25.

As late as yesterday afternoon, a senior official of Transport Canada, representing his minister, met with my deputy minister, with the deputy minister of the Ontario Ministry of the Environment and the Deputy Solicitor General, as well as a senior law officer from the city of Mississauga. The latter, naturally, attended on behalf of Her Worship, Mississauga Mayor Hazel McCallion, to discuss draft terms of reference for the inquiry to be called by the federal minister to look into the transportation of hazardous goods by rail.

Following that meeting, I had the opportunity to talk yesterday afternoon with Mr.

Mazankowski. Recognizing there will be an inquiry, I urged him to move on the federal legislation as soon as possible. I did so because I believe such legislation is essential for Ontario, especially when one considers the amount of hazardous goods transported almost daily within the provincial borders.

I also pointed out that should the upcoming inquiry reveal any deficiencies in the present federal legislation, then these could be corrected by subsequent amendments. I can tell the members of this House that Mr. Mazankowski himself expressed his very keen desire to get the new legislation passed before the federal House rises for the Christmas recess. For our part, as soon as the federal legislation is in place and the three volumes are available to my people in the ministry, I shall process and adopt all appropriate provisions for swift application in Ontario.

At this point, I would like again to underline the need for uniformity in the processing and adoption of the federal legislation in all 10 Canadian provinces and the territories, for uniformity is essential to safety from near-disasters such as occurred in Mississauga, instead of all jurisdictions dashing off in different directions. Recognizing, however, that there could be possible problems affecting the prompt passage of the federal legislation, despite Mr. Mazankowski's optimism, I've asked MTC staff to accelerate any selective, interim regulations which could be implemented quickly as a stop-gap measure. I did that, despite my conviction any unilateral action by any province in this field is contrary to the common Canada-wide good.

Finally, while I believe I have answered any and all queries directed at my colleague, the Provincial Secretary for Resources Development, there is one last matter which I should address, namely, the charge by the member for Etobicoke (Mr. Philip) that unregulated carriers are carrying dangerous goods on Ontario highways, notwithstanding Bill 89. Simply stated, the member should not confuse economic regulations under the Public Commercial Vehicles Act with safety regulations which apply across the board to all carriers, whether private or for hire.

HUMAN RIGHTS LEGISLATION

Hon. Mr. Elgie: Mr. Speaker, I wish to make a statement concerning important matters having to do with human rights.

Ontario was the first jurisdiction in Canada to enact a comprehensive code on human rights some 17 years ago. Revisions have been made from time to time in our human rights legislation, sometimes by way of amendments to the Ontario Human Rights Code and sometimes by means of separate legislation—for example, Bill 122 introduced last session by my colleague, the Attorney General (Mr. McMurtry), dealing with discriminatory business practices.

In mid-1977, my predecessor received a report on a broad range of human rights issues from the Ontario Human Rights Commission following an extensive review by the commission of the existing human rights code and consideration of a number of submissions made at the public hearings throughout the province. While the report of the commission was, as I have said, a comprehensive one, it did identify two major areas to which the government gives special priority at this time. I refer to the need to protect handicapped persons against discrimination and, equally important, the need to take positive and meaningful measures to further protect the rights of the visible minorities in this province and, in particular, to further promote and encourage improved race relations.

Later this afternoon, I shall be introducing a bill entitled An Act to Protect the Rights of Handicapped Persons. As the honourable members may know, 1981 has been designated the International Year for Disabled Persons. I am sure many jurisdictions will be taking positive action to promote the integration of disabled persons into all activities of society. The bill I wish to introduce today is in keeping with this objective and is, I believe, a significant move towards what I am sure is our common objective: namely, to ensure that disabled people have the fullest opportunity to utilize their talents and realize their potential in all walks of life.

In the last few years there has been increasing awareness of the difficulties handicapped people face in trying to exercise basic rights which the non-handicapped have taken for granted. Regrettably, discrimination against the handicapped does occur. Sometimes it is deliberate and invidious but more frequently perhaps it is a result of the erroneous view that the handicapped need to be segregated in order to protect them from themselves and the rest of society. Whatever the motivation, I am sure all members agree that discrimination against the handicapped is unwarranted and cannot be tolerated.

The handicapped persons' rights bill has two main purposes: first, to prohibit discrimination on the basis of handicap in relation to employment, accommodation and the provision of services and facilities; second, to establish an office of the handicapped to pro-

vide information and to co-ordinate policies and programs designed to benefit and assist handicapped persons.

There are four provisions of the bill which are of particular significance:

1. Protection from discrimination is extended to the physically disabled, the developmentally disabled and to those who have had a past history of mental illness.

2. Complaints of discrimination are to be dealt with by the Ontario Human Rights Commission, which will have the power to appoint boards of inquiry to adjudicate claims and make appropriate remedial orders.

3. Provisions have been made concerning the relationship of the new act to other acts of the Legislature, with provisions for primacy for the new act where appropriate.

4. The act establishes an office for the handicapped, responsible to the Provincial Secretary for Social Development (Mrs. Birch), to provide information on available services and co-ordinate policies and programs relating to handicapped persons.

The second initiative to which I wish to refer today is the designation of a member of the human rights commission as this province's race relations commissioner. As recent events have shown, we cannot be complacent about the imperative to treat visible minorities, who form such an important part of our social fabric, with fairness and equity.

In my view it is not good enough simply to prohibit discrimination and to react only to complaints. We must increasingly move out into the community, to our schools, to places of employment, to volunteer organizations, to trade unions, to our churches, and indeed to every sector and institution in our society, with an active educational and preventive program, aimed at eradicating all forms of racial bias and discrimination.

As you are aware, this government has committed itself to combat racism. To this end, the human rights commission was given this responsibility. Accordingly, the human rights commission some time ago established a race relations committee and that committee has been working in that area for some time.

To further support this proactive role, a special race relations division will be established within the commission, working under the direction of a new race relations commissioner. I am pleased today to announce the appointment of Dr. Bhausaheb Ubale, who is sitting in the visitors' gallery and who becomes the race relations commissioner of this province, effective December 1, 1979. Since his appointment to the human rights commission 18 months ago, Dr. Ubale has played a major role in the area of race relations.

As a further indication of the government's commitment in this area, I would like to announce that a cabinet committee on race relations is being established. It will be chaired by the Attorney General, and composed of the ministers of Labour, Culture and Recreation (Mr. Baetz), Education (Miss Stephenson), and the Solicitor General (Mr. McMurtry).

While the government has been reviewing the recommendations set forth in the Life Together report, the Ontario Human Rights Commission continues to vigorously enforce the provisions of the existing Ontario Human Rights Code. This has been amply demonstrated by the increasing number of boards of inquiry that have been appointed, particularly during the last year, under the code. The success of these boards of inquiry and the decisions handed down by them will have far-reaching implications in promoting harmonious relations among the various segments of our society. Moreover, I am pleased to state that the human rights commission has already made certain changes in administrative procedures within the commission to ensure that the complainants and the respondents receive written reasons for decisions and that appeal from these decisions will be entertained to ensure natural justice.

There are, of course, other aspects of the commission's report which are not addressed in the initiatives I am announcing today. I can assure honourable members that while I have dealt with two of what the government has considered to be the most important themes in the commission's report, we shall continue to study the other recommendations of the report with great care, with a view to proposing further initiatives in due course.

COPIES OF STATEMENTS

Mr. McCaffrey: Mr. Speaker, I think this is a legitimate point of privilege. If it is not, I would ask for the Speaker's direction in this matter.

We have now had three statements that have taken nearly 30 minutes, and in my judgement, each of the three has been important. We've been over this before.

Copies of each of the statements, as the rules provide, have been provided to the leaders of the opposition parties and to the opposition critics; again, private members have not had the opportunity to follow important and somewhat detailed statements.

I don't know what the line of questioning will be when oral questions begin; a reasonable man might guess that some of the questions may be directed to points raised in the statements. Again, I would ask the Speaker where we fit into this. We may very well get those copies in the mail; we may very well see those things in the press, but I think there has to be a better way to give all of us an opportunity to question these important matters.

Mr. Speaker: While there is no provision in the standing orders for circulating those ministerial statements in advance to government back-benchers, I think it is an excellent point. It's one well taken. Perhaps the government House leader could prevail upon his cabinet colleagues to circulate a sufficient number to allay any apprehension the honourable member has just expressed.

I think it is an excellent point.

Mr. McCaffrey: It wasn't just for government back-benchers. We have managed to get this information when we need it. I'm talking about private members in the chamber.

Mr. Speaker: Since I've never had a complaint from over here, I have presumed they were all happy.

Mr. Foulds: On behalf of the back-benchers in our caucus, I would certainly like to support the previous speaker.

[2:30]

ROYAL ONTARIO MUSEUM

Mr. T. P. Reid: Mr. Speaker, I rise on a point of order dealing with Hansard of October 16, 1979, and a comment made that day by the Minister of Culture and Recreation (Mr. Baetz) in regard to the Royal Ontario Museum. The minister indicated in reply to questions: "I am planning to make a statement next week which will deal not only with the expansion program but also with our operating grant to the Royal Ontario Museum. I think once we make that statement those questions that have just been raised will be answered."

The minister was kind enough to phone me and say he wouldn't be able to do it within a week. It's now over a month. In two weeks, as I understand the schedule, certain of the galleries in the Royal Ontario Museum —particularly the mineralogy and geology galleries and others—will be closed down and will be completely inaccessible to the public for a number of years, as I understand it, if this minister does not take some action to ensure that these galleries are available to the people of Ontario.

In view of the $11 million extra that the province was about to put in its operating grant, I wonder if the minister has a statement today so that he can assure us that on December 3 these galleries will not be lost to the people of the province for the next 18 months to two years.

Hon. Mr. Baetz: Mr. Speaker, as the honourable member has indicated, I did telephone him to say some of the information I wanted to encompass in a statement like that was not yet available. It is now available. I cannot make the statement today—it isn't ready—but I also felt in the meantime I had answered, in a letter I addressed to him as chairman of the public accounts committee, some of the questions he had raised.

I am sorry if there has been this delay, but I really felt I could best serve this House and the public at large if I waited until I had all the facts before I made my statement. I am not trying to dodge the subject at all, believe me.

ORAL QUESTIONS

BROWNDALE FRAUD

Mr. S. Smith: Mr. Speaker, I have a question for the Minister of Health.

In view of yesterday's decision by Mr. Justice Holland to sentence John Brown to three years for his $975,000 fraud against the government of Ontario, and in view of the fact that the judge expressed the view that any repayment of that amount of money would have to come by separate civil action, does the minister intend to begin such an action on the civil level to recover the money of which the province was defrauded —close to $1 million? Will the minister be taking a civil action to recover that money?

Hon. Mr. Timbrell: Mr. Speaker, I will be discussing that with my colleagues, especially the Minister of Community and Social Services, under whom children's mental health programs now come.

Mr. S. Smith: By way of supplementary, since the Ministry of Health was represented by counsel at the proceedings, if I understand it correctly: and since counsel appears to have asked that such compensation be part of the sentence; and in view of the fact that request was already made but denied by the judge on the basis that it ought to be a civil matter, why is there any hesitation at all on the part of the minister in assuring this House some effort will be made via the civil courts to recover the money the people of Ontario have been defrauded of?

Hon. Mr. Timbrell: Mr. Speaker, it is standard practice in my ministry, wherever possible, to recover sums owing to the ministry. In this particular case, inasmuch as the program was transferred two and a half years ago, before beginning any action I will want to consult with my colleague who is now responsible for the children's mental health programs in general and that one in particular, funded through his ministry, because anything we do is potentially bound to have some impact on the present and current viability of any operations.

Mr. T. P. Reid: Supplementary: While the minister is doing that, will he also ascertain for the House why the government and the civil servants who were responsible did not pass any cabinet order okaying the budget of Browndale, and why no authority was ever given and no contract arrived at for up to three years, I believe, for the funds that were handed over to Browndale from time to time in that three-year period?

Will he also undertake to tell the House why some of the funds that were given to Browndale were given as operating grants and were spent on capital things, such as the houses in the United States and in Europe and the vast real-estate empire Mr. Brown built up?

Hon. Mr. Timbrell: Mr. Speaker, I will take that as notice on behalf of the ministry in the generic sense, inasmuch as all the records and all the associated staff are no longer in my ministry. They are reporting to and responsible to another ministry.

Mrs. Campbell: Mr. Speaker, can the minister then explain to this House what instructions were given to the counsel appearing on behalf of the Minister of Health? Why was he there and what was the purpose of it, in view of this rather "iffy" situation as it is expressed today?

Hon. Mr. Timbrell: Mr. Speaker, I have indicated to the Leader of the Opposition I will report back and will include—

Mrs. Campbell: You don't know?

Hon. Mr. Timbrell: Yes, Mr. Speaker, inasmuch as the ministry was involved at the time—and that of course is the reason for the involvement—through the crown law office.

Mr. Speaker: A new question, the honourable the Leader of the Opposition.

COMPLAINTS AGAINST POLICE

Mr. S. Smith: A question for the Solicitor General, Mr. Speaker. Is the Solicitor General able to assure this House that his much-vaunted and extensively prominent bill with regard to civilian review of police complaints in Metropolitan Toronto will be brought before the House this session, as was originally indicated to the press and to the members of this Legislature? Can he give us the assurance that before we rise that bill will be before us for debate?

Hon. Mr. McMurtry: I was speaking to my House leader; he was indicating to me that he had been discussing this very issue with the House leaders of the other parties as recently as yesterday. I want to indicate to all the members of the Legislature that these are not problems we are not prepared to share with all of the parties.

When the Leader of the Opposition speaks of the "much-vaunted" legislation I am not quite sure what he means by that, but it is clear that the legislation has been requested by the municipality of Metropolitan Toronto and the Metro police commission.

The delay in producing this legislation, which I hope will be introduced and which I expect to have introduced before the House rises, is that it is absolutely essential, Mr. Speaker, that this be legislation that police authorities, both the rank and file and the senior officers, responding reasonably feel they can live with. I have to say that, understandably enough, police associations that represent the majority of police officers and the senior officers, police chiefs and senior officers and their governing authorities have different views with respect to some important aspects of this legislation.

We have been attempting to reconcile these differences before we introduce the bill, because I am satisfied that if we don't have legislation both these vital components of any police department feel they can live with, then the people of this province are not going to be well served. We have been making every effort to reconcile those differences. We expect this will happen and that the legislation will indeed be introduced before the House rises.

Mr. S. Smith: By way of supplementary, and accepting and understanding that any bill that deals with a review procedure of this kind should enjoy at least the active involvement of the police in the drafting of the bill—accepting that, does the minister not concede that in the first place he has had about five years of discussion on this matter to start to get the opinions of police forces? Does he not concede as well that he assured the public in Toronto and in Ontario that he would be moving very swiftly in this session, so we would have a bill on the books—not just something to be introduced

but on the books—and what has been the delay between the time he made the promise and now? He surely could have had discussions between then and now.

I remember when a previous Solicitor General tried to introduce a bill dealing with police, he was removed from his position. Does the Solicitor General not feel he might be in for the same fate if he goes ahead with the promise he made to the people?

Hon. Mr. McMurtry: I would have hoped the Leader of the Opposition was really interested in seriously addressing the fundamental issues involved. We have not only consulted with the police authorities, both the police association and police governing authorities and senior officers, but we've consulted citizens' groups and many others who have some interest in this legislation. As a matter of fact, since we announced in September our intention of introducing this legislation, this process has been carried on by senior officials of my ministry on a continuous basis.

With regard to the history of legislation, I can only talk about what I attempted to do during my year as Solicitor General. I don't think the House is really interested in my reviewing the past five years or whatever history is related to this type of legislation, other than to say—

Mr. Cassidy: It is your government, don't disown your colleagues.

Hon. Mr. McMurtry: Not at all. Mr. Speaker, if the opposition wishes, I can do this. It's going to take me a few minutes.

Mr. Speaker: Just ignore the interjections.

Hon. Mr. McMurtry: I can take them right through the history of this legislation if they want to do it.

First of all, when Mr. Justice Morand reported—

Mr. Renwick: Let's do it in committee. Let's do it in the estimates.

Hon. Mr. McMurtry: I don't expect the two opposition parties to be able to even agree on the time of day.

Mr. Speaker, I'm really in a quandary. Here, I'm invited by the leader of the official opposition to give a history of this legislation, but then the New Democratic Party, which of course always has a short simplistic answer to every issue, wants me to abbreviate my response. It is obvious that I should simply resolve the issue by saying the estimates of the Attorney General are presently in progress. I'm prepared to discuss with the opposition critics in some detail the history of this legislation, because it does touch the responsibility of the Attorney General.

They've been talking about the role of the Minister of Transportation and Communications for the last few days. I'm quite prepared to discuss this legislation as well. Just let me reiterate that we are trying to produce legislation that's going to work. We've worked very hard at this legislation and we intend to have this legislation introduced this session.

Mr. Warner: Supplementary: While I appreciate the conflict of interest which the Solicitor General has in respect to his role as Attorney General, thus explaining the fence-sitting he's been doing for this long period of time, and knowing this issue goes back at least nine years and we've had two pieces of legislation—

Mr. Speaker: Question.

Mr. Warner: —will the Attorney General explain why he cannot tell us definitely today that the legislation will be introduced prior to Christmas?

Second, has he rejected out of hand the resolution I placed on the Order Paper just a couple of weeks ago which fully outlines a workable type of procedure for Metropolitan Toronto and presumably for other municipalities which are interested?

Hon. Mr. McMurtry: I have nothing further to add to my previous answers that would be relevant to this issue.

Mr. S. Smith: Just so the record will show it, did I understand the Attorney General to say the legislation will be introduced this session and its passage will be permitted contingent simply upon its acceptance by the opposition parties? Is that what he has said, that as long as we are co-operative the matter will be passed this session? Is that an undertaking from the Attorney General?

[2:45]

Hon. Mr. McMurtry: I repeat what I have said before: I will make every possible effort to introduce the legislation. I expect that it will be introduced, yes. If the legislation is accepted in the form in which it is introduced then I'd like to see it passed, yes. But I can't guarantee I am going to support the passage of legislation that may be changed in certain fundamental principles. I think we'll just have to wait and see.

I assure the Leader of the Opposition that I will make every possible effort to introduce this legislation. I do intend to introduce it; I just can't be precise about the date.

GOVERNMENT PURCHASING

Mr. Cassidy: I have a question for the Minister of Industry and Tourism about a

classic case of how the government is failing to use government purchasing as a lever to support domestic industry here in this country.

Can the minister explain how it came about that when the regional municipality of Peel sought proposals for a major portion of its waste recovery plant this summer, at least three interested Canadian companies did not bid on this demonstration project? If the government is committed to using procurement as a means to encourage Canadian technology and Canadian industry, can the minister explain why it was prepared to commit $10 million, plus a piece of Ontario's own land, on the strength of one bid from a huge foreign corporation—the Grumman Corporation of New York?

Hon. Mr. Grossman: The leader of the third party is asking me why the regional municipality of Peel did not exercise a preferential purchasing policy in its purchasing decision. If his request is that I investigate and call Peel and ask them the circumstances, I'd be happy to do that.

I am as interested in using government procurement constructively in this country every bit as much as is the leader of the third party. Perhaps he would write or call me about matters like this so that I might have the information for him with regard to a decision made by a municipality in this province. When he raises such matters in the House I would then have all the information at hand in order to answer the question for him and provide some constructive information for both of us at that time.

If I had heard his question correctly, he is apparently asking me why three Canadian firms did not bid on the project. I would hardly be in a position to tell him the reasons why three firms chose not to bid. However, if he will give me the details, I'd be happy to contact those firms and ask them. Perhaps he has asked them and might be interested in relaying that information to me.

Finally, I might conclude by saying I am still waiting for some of the information he said he would have earlier when he told me there were some prospective purchasers of Eldorado Nuclear and asked if I would investigate the rumours. I asked him to give me the source of those rumours and the names of the prospective purchasers, which were the fundamental basis behind his question in the House. If that's the tactic I only ask him to be kind enough to have followed up three weeks later with the basis upon which he asked that question.

Mr. Cassidy: Supplementary: I appreciate that the minister is asking me to do the job his staff should be doing on his behalf. I also hear him say quite clearly that even though $10 million in provincial funding is being put into the waste recovery plant in the regional municipality of Peel, that amount of provincial money isn't important enough for him to be concerned about whether the procurement goes to Canadian companies or to American companies.

Could the minister explain why the government would not have taken an aggressive leadership role in helping these three Canadian companies to bid jointly on the waste recovery project or in setting up a joint venture with those Canadian companies in order to develop the Canadian technology in this important area of future development of an industry which will soon be spread across the country?

Hon. Mr. Grossman: Mr. Speaker, I am not going to permit the leader of the third party to suggest that I didn't consider it was important enough to see if we couldn't get them to implement a preferential purchasing policy when the region—with or without our money—is making a purchase. I specifically said I am interested in seeing exactly that sort of thing happens and that municipalities, boards of education and everyone else begin to adopt appropriate procurement policies.

With regard to the latter part of the member's question, if his information is—and I would like to hear it—that they have approached this government and asked for our assistance in putting together a bid, in doing research and development and in creating a consortium in order to bid on that project, then I will also investigate that and explain to him the reason behind the government's decision. I could be wrong, because of course he hasn't told me the details in advance so that I could investigate, but I suspect those companies did not approach us for that kind of assistance. If they have, I will find out the circumstances behind that approach.

Mr. Cassidy: Supplementary: I do draw the minister's attention to the fact that this question was raised briefly in the House back on November 1, and clearly the minister's officials haven't responded to that.

Mr. Speaker: Question.

Mr. Cassidy: My question, Mr. Speaker, is this: Is the minister not aware in his responsibilities as Minister of Industry and Tourism that last fall Grumman Ecosystems Corporation entered into an agreement with Reed Paper to capture the solid waste recovery

market in Canada and that their first project is the Peel plant?

Given the fact that the government and Peel have already dealt a severe blow to Canadian companies that might get into this area on the ground floor, will the minister now make a commitment actively to promote a consortium of Canadian companies to develop this capability, rather than just simply waiting until somebody comes knocking on his door? Is there not a role for leadership from the Ontario government to ensure Canadian companies do play a role in this area of technology?

Hon. Mr. Grossman: I must say to the leader of the third party that this government, all of my field staff and all of the staff here at Queen's Park are taking quite a leadership role in encouraging industries for the first time to consider entering into and forming consortia. If he wants to pick one particular sector and suggest they did not respond to the general invitation that is out there, then I have to say to the leader of the third party what he's suggesting is this government go out and find instances in which a firm or a group of firms, not Canadian-owned, is bidding on some projects and going into an industry, and that we should, as a government, put out resources, collect firms and become partners in order to compete with those private-sector investors.

I have to say to him that that is an historic position of his party—there is nothing new about that—to have government put in money to form consortia or whatever to compete against private-sector initiative in creating jobs. That simply isn't our view of the world. It's not our view of the way capitalism ought to operate in this country.

NIAGARA ESCARPMENT DEVELOPMENT

Mr. Cassidy: Mr. Speaker, in the absence of the Premier (Mr. Davis), I have a question for the Provincial Secretary for Resources Development about the Niagara Escarpment. It is particularly appropriate since the proposal plan for the Niagara Escarpment was being released in Collingwood just a few minutes ago.

Since the Chairman, Management Board of Cabinet (Mr. McCague), told people at the Grey-Bruce Progressive Conservative annual meeting a few days ago he could foresee the Niagara Escarpment Planning and Development Act being rescinded once the Niagara Escarpment plan has been adopted, can the provincial secretary tell this House exactly what plans the government has concerning that important piece of legislation? Secondly, what plans does the government have to ensure future development along the escarpment conforms both to the plan and also to the principle of the creation of a continuous natural environment along the escarpment?

Hon. Mr. Brunelle: Mr. Speaker, I will be making a statement tomorrow. As the leader of the third party mentioned, the commission released the report today. Copies of my statement will be sent to members who are interested. The determination as to the future plans of the commission has not yet been made.

Mr. Cassidy: Supplementary: Since the proposed plan recommends that a ministry be designated to monitor and keep an eye on the implementation of the plans, could the minister tell the House whether the government intends to abolish the Niagara Escarpment Commission or is that still to be decided? Could he assure the House that the ministry that monitors the implementation of the plan will be a ministry that is dedicated to protecting the environment, such as the Ministry of the Environment, and not a ministry that is dedicated to raping the environment, such as the Ministry of Natural Resources or the Ministry of Housing?

Hon. Mr. Brunelle: Mr. Speaker, the honourable member knows full well this government has on numerous occasions indicated the Niagara Escarpment area would be preserved. It is a unique area, so the honourable member should have no fear; that area will be preserved.

Mr. Swart: Supplementary: Could I ask if the minister is aware the general government policy is set out in the act at the present time by such statements as: "The purpose of this act is to provide for the maintenance of the Niagara Escarpment and land in its vicinity substantially as a continuous natural environment; to ensure only such development occurs as is compatible with that natural environment; to ensure the objectives; to ensure that all new development is compatible with the purpose of this act, expressed in section 2; to provide for public access," and seven additional objectives?

If the act is rescinded it will destroy the whole principle of preservation and, in fact, be a liquidation of the policy your government has stated. Is that what the minister wants to do, and if not, will he give the commitment that he will attempt only to amend the act and will leave intact the stated purposes and the objectives of the act?

Hon. Mr. Brunelle: As I indicated earlier, the members will be receiving a copy. A

meeting has been set for next Tuesday. I believe the honourable member has received, and if he has not, he will be receiving an invitation to attend this meeting and all these matters will be fully discussed.

Mr. Foulds: On a point of order.

Mr. Speaker: What is your point of order? There is nothing out of order.

Mr. Foulds: The point of order is with regard to the statement the minister just—

Mr. Speaker: He has taken it as notice. He will have a statement tomorrow, and members will be able to question him further in detail. There is really nothing out of order in question period—unless it is the Speaker, and that is permissible.

Mr. Foulds: Can I try a point of privilege?

Mr. Speaker: You can try.

Mr. Foulds: Is it not the privilege of a member of this Legislature to receive a policy statement by the government simultaneously, at least, with the statement being made in Collingwood? There is ample precedent for this government making—

Mr. Speaker: No, that is not a privilege of any member of this House.

Mr. Foulds: A point of protest, then.

AMBULANCE SERVICES

Mr. Breithaupt: Mr. Speaker, a question of the Minister of Health concerning our Kitchener-Waterloo ambulance strike. Is the minister aware that an offer of an increase in pay was rejected by the employees because it was contingent on the approval of the ministry to provide the necessary funds to cover the increase? If so, can the minister publicly state today that sufficient funds will be provided so that condition can be removed from the proposed settlement offer, with the hope that the parties can then quickly resolve their remaining differences and settle the strike?

Hon. Mr. Timbrell: I answered that question on Tuesday—I think it was from this member's colleague, the member for Kitchener-Wilmot (Mr. Sweeney). I made the point that obviously we don't cover—and I don't think he would want us to say that whatever settlement comes along we will cover penny for penny, nickel for nickel; but I can give the member the assurance that we have in all other circumstances ensured any review of the budget as a result of any settlement would provide for the maintenance of an acceptable, satisfactory level of ambulance services. I think that is about as far as I can go in that regard.

Mr. Breithaupt: Supplementary: Would the minister convey those assurances to the parties involved, with the hope that even that involvement of his good offices in this matter possibly would be helpful in getting this strike completed?

Hon. Mr. Timbrell: I am obviously as anxious as the honourable member to see that happen. It is my understanding the parties were made aware of that position a long time ago, but I will assure myself again that they are aware of it.

Mr. Breaugh: Supplementary: I am wondering how the minister can make that kind of statement when, quoting from the Kitchener-Waterloo Record, "The company has so far resisted arbitration because it says it doesn't know if the Ministry of Health will provide extra funds in the event a higher than expected wage rate is awarded through arbitration."

[3:00]

Hon. Mr. Timbrell: In any of the negotiations respecting any aspect of the health-care system we do not and never have adopted the position we cover any arbitrated settlement penny for penny. What we do is receive the submission from the hospital, health unit, ambulance service, as to the effect of it. What they submit is required to maintain what we would mutually agree is an acceptable level of service. If that's the case, then we cover it.

I cannot and will not give the kind of assurance that will cover no matter what, because I think that would obviously throw the whole negotiation and arbitration process into a cocked hat.

Mr. Sweeney: Since there is now a precise offer on the table—I mean there's no question about what it is—why can't the minister, as my colleague from Kitchener has suggested, simply tell them, "Look, we can or we cannot meet that offer"?

We are not asking the minister, as he suggested to me a couple of days ago, to write a blank cheque; we appreciate that comment. But we now have a specific figure. Can the minister say yes or no, and if not, why not?

Hon. Mr. Timbrell: I don't think we do have an exact figure in terms of the total impact, but if the parties were to arrive at an agreement and submit it then we would cost it out very quickly and get back to them very quickly, just as we've done in other localities.

HANDICAPPED PERSONS' RIGHTS

Mr. Mackenzie: A question of the Minister of Labour: Can he explain to the House

why, with his statement in the House today, he has done exactly what we are trying to prevent? Why has the minister discriminated against and segregated the handicapped in Ontario by isolating them with a separate bill dealing for the moment with only two of the issues instead of comprehensive changes to the human rights code, in view of the comprehensive nature of the review?

Hon. Mr. Elgie: With the greatest respect to the member, I think he does a disservice to the important nature of the legislation introduced today. It shows clear and precise conviction and dedication over the issue of the rights of handicapped.

I would ask him, before he pursues this line of thought, to read the bill and read that it goes beyond even the areas discussed in Life Together. Therefore, it is in the view of this government and in my view a very progressive piece of legislation, as are the other thrusts that are mentioned today as our priorities at this time.

Mr. Mackenzie: Supplementary to the minister: Is the minister then prepared to assure the House that what is in that bill is not locked in and does not prohibit amendments to other bills or regulations—the Workmen's Compensation Board, for example—and can we be assured it doesn't lock out any right of a worker to appeal discrimination on the basis of, say, a knee injury if he's an injured workman?

Hon. Mr. Elgie: Mr. Speaker, this is a bill that refers to disabilities. There's no suggestion that it in any way hinders the rights of anyone with a disability from bringing a complaint.

Mr. Bounsall: Supplementary: Can the minister assure us that in bringing in the bill over the handicapped and disabled in this way, rather than as an all-inclusive amendment to the Ontario Human Rights Code, the question on employment forms, "Have you ever received WCB benefits?" can now no longer be asked?

Hon. Mr. Elgie: I haven't given specific thought to that question but certainly it was my intention all along that this bill would prevent that very sort of problem. If that's not so, then let's deal with it.

PROPERTY TAXATION

Mr. Rotenberg: Mr. Speaker, I have a question of the Minister of Revenue: In view of the fact that there are a number of properties in the city of North York, particularly oil company properties, which have some of their land in so-called agricultural use and by doing this, they are costing the taxpayers of North York some $300,000—I'm wondering if the minister is aware of this and if he is—

Interjections.

Mr. Rotenberg: Mr. Speaker, can I have order?

I am wondering if the minister is aware of this situation. If so, could he indicate to the House whether what these property owners are doing is totally in accordance with the Assessment Act, or whether there is any discretion on the part of the ministry or the assessors so this situation could be changed?

Hon. Mr. Maeck: I am aware of this problem. It is not one that is restricted to North York by any means. I have had complaints from the city of Mississauga and other municipalities, not only about people who happen to own oil companies but also people who have land for development purposes.

The land is leased to farmers who are using it far agricultural purposes. Under the Assessment Act, if land is being used for agricultural purposes it must be assessed as farm land. Certainly, my assessors are within the act, as it is now written.

I have had my senior staff check into this matter and it is being discussed to see if there is any solution to it. There are many problems inherent in this particular matter. The question of defining a farmer and a farm alone is one of the major problems. It has been under discussion in many committees in this Legislature for a long time and we still do not have what we consider to be a proper definition.

This matter is under close scrutiny by the ministry. The other part of the problem is the direction of this government has been to make the most use of the available farm land in the province. This, of course, does permit that to take place.

Mr. Rotenberg: Supplementary: Recognizing, as the minister has indicated, the need to preserve what I will call legitimate agricultural land in the province, would the minister undertake to look into what seems to be an inequity, in that land which is really not agricultural is being used for that purpose, apparently to avoid taxation? Also, would the minister look into the possibility of some changes in the rules or legislation to correct this apparent inequity?

Hon. Mr. Maeck: As I indicated in my first reply, we are looking into the matter. However, I don't think I would like to categorize it as a tax evasion by anyone. The law is there, they are within the law. Our assessors visit each one of these properties every year

to see if it is being used for agricultural purposes or not. As long as the act exists as it is, it is certainly not a tax evasion. It may be a loophole, but is certainly is not an evasion. An evasion is a little different thing.

We are looking at it. I cannot assure the member there's an easy solution to the problem.

Mr. Epp: Since the minister has admitted it is obviously a loophole of which these companies are able to take advantage within the law, I would like to ask him why he is so reluctant to make a commitment to this Legislature and to the people that he will plug that loophole post haste. I would think he has a responsibility to the people of Ontario to plug that loophole as quickly as possible. Why is he so reluctant? Why does he have to consult?

Hon. Mr. Maeck: Whether or not I am reluctant is a matter of opinion. I have already indicated I would look into the matter. I am not about to make a decision on a matter as important as this at the beck and call of the member for Waterloo North. I am prepared to look into it; I have made the commitment and I am not hedging on it.

VANDALISM

Hon. Mr. Bennett: I would like to respond to a question asked on November 15 by the member for Fort William (Mr. Hennessy). The honourable member asked for an update on the newest Ontario Housing Corporation building for senior citizens being constructed in Thunder Bay on the Red River Road. This tower was scheduled to be turned over to the corporation later this month, but because of the severe damage caused by vandals it will likely not become part of our property and assets until May of next year.

The damage to this building occurred as a result of vandals turning on the fire hoses on the top floor of the building. They remained on overnight, causing severe damage to the main structure of the building and necessitating the replacement of the electrical wiring, floors, Gyproc and doors in the building. The estimated cost of repairs is something close to $500,000. The building is still the responsibility of the developer and I assure this House there is no problem with the insurance company, on behalf of the contractor, looking after the repairs to the structure.

I will keep the member advised of the progress of this structure.

CHEESE PRODUCTION

Mr. O'Neil: I have a question of the Minister of Agriculture and Food concerning the cheese industry in the province.

Can the minister tell us what he and his government are presently doing to obtain an increased milk quota from Ottawa so that the cheddar cheese industry in Ontario will be able to remain viable and also be able to fill markets that are available for their products?

Hon. Mr. Henderson: Mr. Speaker, in response to the honourable member, in the last fiscal year the dairy farmers in Ontario only filled a little over 95 per cent of their industrial milk quota. On top of this, the National Dairy Council of Canada increased Ontario's portion by some three per cent. If we apply what farmers supplied last year to this year's quota it would take last year's deliveries back to 92.5 per cent or 93 per cent. This year there is quota for the farmers to increase their production of industrial milk by a little better than seven per cent.

When we get into the different price ranges for the different levels of milk, the farmers were afraid of overproduction—I don't think I need go into that and the effects it has on the farm economy. In order to encourage the farmers to produce up to their quota, the government has assured the Ontario Milk Marketing Board it will put in $6.2 million. That would have to be my answer to the honourable member.

Mr. O'Neil: Supplementary: Could the minister tell us whether or not there will be larger increases this year than what he is talking about now? In other words, is the minister planning to try to get some more milk quota from Ottawa so they can produce beyond that increase of seven or eight per cent?

Hon. Mr. Henderson: I am worried about the other side of it. As I suggested, our farmers only produced 95 per cent of quota last year.

Mr. S. Smith: Why?

Hon. Mr. Henderson: They were afraid of overproducing.

Mr. S. Smith: That's right.

Hon. Mr. Henderson: That is right. There is no argument. They were afraid to go over their quota. Last year was one year they could have produced up to the 100 per cent.

If the honourable members care to look back, we all know there were farmers who only received about $2.80 a hundredweight in the year previous because of their overproduction. Our farmers were afraid of do-

ing that again, so we as a province have agreed to put in the $6.2 million—which will remove that worry of the farmers—to let them produce up to the quota.

What I am concerned about, as the Minister of Agriculture and Food, is that we do have this quota allocation. If the farmers don't produce up to it and the farmers of Quebec, for instance, produce 100 per cent of their quota, the national dairy council is put in a very difficult situation. I have conveyed this to the milk marketing board. I have conveyed it to the farm organizations. In Belleville yesterday I conveyed to the farmers there what the situation really is. No doubt the member has had it conveyed to him. If we don't come up to our quota, the national dairy council has to get that milk from somewhere. I have done everything I know to encourage our farmers to produce up to the 100 per cent.

Mr. Samis: Supplementary: The minister didn't refer to what he had done in Ottawa. Can I ask him if he has made representation to the federal minister and what representation he has made?

Hon. Mr. Henderson: I spoke for half an hour on the phone to the federal minister as recently as an hour and a half ago.

Mr. Samis: Are you any wiser?

Hon. Mr. Henderson: Much wiser.

If the honourable member was in our position and had access to the Minister of Agriculture for Canada, I assure him he would be much wiser, yes; but there has been continuous dialogue.

[3:15]

CHLORINE LEAKS

Mr. Foulds: Mr. Speaker, I have a question for the Solicitor General.

In view of the four chlorine leaks that have occurred in pulp and paper mills in northwestern Ontario in the last month—specifically at Marathon, Red Rock, Great Lakes in Thunder Bay, and most recently at Terrace Bay on Tuesday last—can the minister explain why the company on whose property the leak occurs appears to have the sole discretion to decide whether or not the leak is serious enough to notify the police chief and the responsible authorities?

In particular, can the Solicitor General explain why Kimberly-Clark of Canada Limited failed to notify police chief Bill Zroback when a chlorine leak occurred at the Terrace Bay mill at 11 a.m. last Tuesday, particularly as the wind was blowing from the north directly over the town at the time?

Hon. Mr. McMurtry: I am not aware of the circumstances of that particular occurrence. I will inquire into it and report back to the honourable member.

Mr. Foulds: Mr. Speaker, in his investigation can the Solicitor General inquire into two matters: First, should not the notification be mandatory? Second, will he determine why it is that the police chief, who has the emergency plan and is the key contact person in the community, found out only accidentally, because an OPP officer stationed a mile away at a service station detected the leak and notified his superiors, who in turn notified the town police chief?

Can the minister also find out why Kimberly-Clark, contrary to the emergency plan, placed a tractor across the road that gave egress from the mill and if an evacuation of the mill had been necessary this would have in fact obstructed the evacuation of the mill?

Hon. Mr. McMurtry: Mr. Speaker, I am very strongly of the view that if there is an accident or occurrence of the nature and character described by the honourable member and if there is any likelihood of any risk of emission that is going to affect the health of the citizens of that community, the police chief should be advised. I will certainly inquire into why he was not advised, if that is in fact correct, and I am sure that is the belief held by the honourable member.

BEVERAGE SUPPLIES

Mr. G. Taylor: Mr. Speaker, a question of the Minister of Agriculture and Food: Considering the amount of imported foreign beverage in the form of coffee that is used throughout the Legislature at the different committees, et cetera, would the minister use his good offices and persuasive ability to inform those people who do the ordering and serving that possibly a beverage such as milk or apple juice would better help our farmers and help the position put forward by the member for Quinte (Mr. O'Neil)?

Hon. Mr. Henderson: Mr. Speaker, I believe this ordering comes under Mr. Speaker's office, so I will consider that message conveyed to you, sir.

FOREIGN PURCHASES OF AGRICULTURAL LAND

Mr. Riddell: I have a question for the Minister of Agriculture and Food.

What kind of response did he receive from the clerks of the townships pertaining to foreign investment in farm land here in Ontario; what did the response indicate; and how much weight is the minister going to

put on that kind of information, considering there is no way the clerks would know the source of funding of these lands if they happened to be purchased by some local resident or some local corporation?

Hon. Mr. Henderson: Mr. Speaker, I have had an excellent response from the clerks of this province. I sent out inquiry notes to approximately 500 municipal clerks. As of yesterday morning, I had responses from 300 of those 500, or 60 per cent of the clerks.

My staff estimates we have about 16 million acres of agricultural land in Ontario. The clerks I have heard from represent municipalities containing 10.4 million acres or approximately two thirds of the land. While we have only received word from 60 per cent of the clerks, the area represents 66 per cent of what we estimate is the total agricultural land. From the 66 per cent response, I find there are about 76,000 acres of land owned by people residing outside of Canada; or approximately three quarters of one per cent shown in the response.

In going into this more deeply, I have phoned some of the clerks and I have visited some of the municipalities where there seems to be a high ratio. I had a response from one of the municipalities.

Mr. Wildman: Algoma.

Hon. Mr. Henderson: —Algoma, where 14 per cent of the land was owned by people residing outside Canada.

Let me take that one a step further. In that particular case, they didn't report any farmers, but they did report 14 per cent outside ownership; so it really wasn't agricultural land, but that is in that 0.75 per cent. With respect to any of those I have inquired of, I find that of this foreign ownership, about two thirds consists of people residing in the United States; and about one third, or one quarter of one per cent, of people residing in central Europe.

I would have to tell you, Mr. Speaker, that sample is very light, maybe one in 25 in cases where I have phoned the clerk. That is the report as of yesterday morning.

Mr. Riddell: Supplementary: Since there is enough concern about this matter in Ontario, which led me to introduce a private member's bill last session to have all those foreign owners disclose the land they had purchased and which led the minister's own colleague, the member for Middlesex (Mr. Eaton), to introduce a similar bill this session, stating when he introduced it, apparently, that the government is not doing enough, will the minister take a look at both private members bills and come to some decision as to whether or not he thinks he should bring in a bill of his own to find out exactly how much of this land has passed into foreign ownership? Doesn't the minister think that would be the route to go, rather than playing around with all these unreliable sources as he is doing at the present time?

Hon. Mr. Henderson: I don't consider the municipal clerks to be an unreliable source. I have a very high respect for the municipal clerks of this province. I think that statement is unfair. Yes, I will take a look at the two private bills.

FRENCH-LANGUAGE EDUCATION

Ms. Gigantes: I have a question for the Minister of Education, Mr. Speaker. As the minister had promised to respond by October to the strong local desire to see the creation of a French-language school board in Ottawa-Carleton, is she now prepared to make that response and also to inform us what decision she plans to meet the needs of 1,500 French-language high-school students of the Carleton board?

Hon. Miss Stephenson: The answers to the questions, Mr. Speaker, are no and no. I am hopeful in the not-too-distant future I will be able to make that response to the school boards in the Ottawa-Carleton region.

Ms. Gigantes: Supplementary: Could we ask the minister at least to give her endorsation to the creation today of the Conseil francophone de planification scolaire d'Ottawa-Carleton as a local organization which will take the transitional step towards the formation of a French-language school board for Ottawa-Carleton.

Hon. Miss Stephenson: Mr. Speaker, I am delighted the francophone trustees in the Ottawa-Carleton region are providing a model, which I think might be useful to all public bodies in that area, a model of co-operative effort in support of their particular concerns. I am certainly pleased to support it in that light.

MISSISSAUGA TRAIN FIRE

Hon. Mr. Parrott: Mr. Speaker, the member for Windsor-Sandwich (Mr. Bounsall) has been in and out of the House several times. He is not here now. On November 15 the member for Windsor-Sandwich raised a question concerning the possible formation of chlorinated hydrocarbons during the recent fire in Mississauga.

I can assure the honourable member that officers of my ministry were aware of the

possibility and the TAGA 3000 was used to great effect at this time.

The only chlorinated organic compound which was found in measurable concentrations was chloro-aceto-phenone, which is what is called a lachrymator. Let me tell you, Mr. Speaker, I have been there and had the experience of feeling it in my eyes, as has the Attorney General. You don't have to worry about knowing when it is present; you can sure feel it. It does make the eyes water. The material is formed by the action of sunlight on a dilute gaseous mixture of styrene and chlorine and in this instance was formed in very low concentrations. The maximum level detected was approximately 20 parts per billion, but one certainly could feel it very readily.

Samples of mud and water taken at the crash site were also analysed and the sample showed trace quantities of chlorinated styrene compounds. However, these latter compounds were apparently in too low a concentration in the air to be detected by our TAGA unit which, as the members probably know, measures in parts per trillion.

Regular tests were also made for hydrochloric acid and phosgene in the air, but again no measurable quantities were detected by the TAGA.

Finally, I would like to lay to rest any fears that PCBs might have been formed during the train crash and subsequent fire. I can confirm that it would not have been possible, since there were no biphenols at the site to react with the chlorine and form PCBs.

I have another answer to another question from the member for Niagara Falls (Mr. Kerrio). I could do it today or tomorrow.

Mr. Bounsall: A supplementary to the minister's answer: Were air samples taken right from the very start of the combustion with the chlorine mixing with it and were those samples run through gas chromatographs to detect the whole range of chlorinated hydrocarbons that were likely to be formed? Was this done right at the beginning and were the air samples subjected to the proper qualitative and quantitative analyses?

Hon. Mr. Parrott: In order to be completely fair on this matter, if the member is asking me if it was done within the first day, the answer is yes. If he is asking me if it was done within the first five minutes, the answer is no. We were on the scene with our instruments and TAGA 3000 was operating in the first day. We had other less sensitive equipment there within hours. We had TAGA 3000 there on the first day.

TRANSIT SERVICE

Mr. Stong: I have a question for the Minister of Transportation and Communications. In answer to my question on the Order Paper concerning public transportation, the minister reaffirmed his commitment to provide and encourage public transportation and he recognized the need to tailor services to public acceptance and demand.

In the light of that reaffirmation, when will the minister give effect to the undertaking he gave to me in that same answer to "ensure that interregional services are maintained in the most effective and efficient manner?" When will he re-establish the GO bus services eliminated when the route on Bayview Avenue was turned over by Toronto Transit Operating Authority to the town of Markham?

Hon. Mr. Snow: Mr. Speaker, we would be more than happy to have TATOA reinstitute the GO bus service as quickly as we can possibly implement it, but as a lawyer the member should know I am told we happen to have a legal agreement with the town of Markham which pressured us to remove the service from that particular route.

[3:30]

We also had agreement from the town of Richmond Hill, which has now written to me and told me they are rescinding that concurrence to that change in service, for which I don't blame them because the town of Markham has not lived up to expectations, as I am told, to provide an adequate bus service on Bayview Avenue.

It is my belief that the Toronto Area Transit Operating Authority service should be reimplemented by the joint study on interregional and municipal transit services in that particular area.

But at this moment, at the request of the town of Markham we removed that service. We would like to reimplement it but we are not going to do it until I am satisfied we are not leaving ourselves open to legal action by the town of Markham.

Mr. Stong: Supplementary: Why would the minister allow TATOA, which is a branch of his government, to run away and contradict the policy of his ministry and enter into an agreement such as they did without being first aware of all of the facts—mainly that Markham could not provide the service that TATOA and the GO bus had been providing?

Hon. Mr. Snow: I am not sure that is a correct statement. I won't accuse the member of inadvertently misleading the House, Mr. Speaker, but I just don't think that is a cor-

rect statement. How could we be aware that Markham could not? Because if Markham wished, they could supply the service that is required—

Mr. Stong: A little bit of study by TATOA would solve the problem. TATOA didn't even look at it.

Hon. Mr. Snow: TATOA did not recommend—with all due respect, Mr. Speaker, the honourable member is now, by way of his interjections, inadvertently if not intentionally misleading the House.

Interjections.

Hon. Mr. Snow: Because he is saying that TATOA did not look at it. TATOA looked at this very carefully. A joint study was carried out and the removal of the service from Bayview Avenue was not as recommended by TATOA but was the wish of the town of Markham, which happened to operate the local transit service in that community.

If the local transit services in the municipalities of the region of York could develop a better communication between themselves to operate a more efficient municipal transit service, there would not be this problem.

Mr. Speaker: Time for oral questions has expired.

REPORT

STANDING PROCEDURAL AFFAIRS COMMITTEE

Mr. Breaugh from the standing procedural affairs committee presented the following report and moved its adoption:

Your committee has considered two points of order raised in the House on October 11, 1979. The point of issue was the mechanism by which answers could be provided to written questions when the House was recessed.

Standing order 33(d) permits the tabling of documents by ministries simply by depositing them with the Clerk of the House on any day. The committee therefore recommends that answers to written questions should be tabled with the Clerk as soon as they are ready, whether or not the House is in session.

The second point arose on November 9, 1979, and concerns ministers answering questions which were asked at an earlier date.

On occasion, answers to such questions are given when the member who asked the question is not in the House. The committee believes that this problem can be resolved without recourse to a change in the standing orders. The committee recommends that except in unusual circumstances, ministers should refrain from answering a previously asked question until the member who asked it is present in the House.

Motion agreed to.

MOTION

SELECT COMMITTEE ON THE OMBUDSMAN

Hon. Mr. Wells moved that the recommendations of the seventh report of the select committee on the Ombudsman be referred to the committee of the whole House for consideration.

Motion agreed to.

INTRODUCTION OF BILL

HANDICAPPED PERSONS' RIGHTS ACT

Hon. Mr. Elgie moved first reading of Bill 188, An Act to Provide for the Rights of Handicapped Persons.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 336 and 337 standing on the Notice Paper. (See appendix, page 4739.)

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

WINDSOR-QUEBEC RAIL SERVICE

Mr. Ashe moved resolution 37:

That in the opinion of the House the government should urge the federal government of Canada to upgrade the Windsor-Quebec rail corridor to accommodate an electric, LRC (light, rapid, comfortable) train service.

Mr. Ashe: Mr. Speaker, I would hope to have about five minutes for some closing discussion and some closing statistics later on in the debate.

Improving the transportation system in this country is one of the most difficult and important tasks we as Canadians are forced to contend with. We are faced with the unique problem of having to move a relatively small population great distances. Our cold climate, compounded with geological roadblocks of mountains, tundra and extensive wetlands, are enough to tax the resources of any country. Add to this a relatively small population and large distances and the economics of transportation become a seeming quagmire, almost unsolvable.

As with most problems, resorting to one solution is usually a great mistake. Solving these unique transportation difficulties will not be an easy task. Its success will depend on a broad mix of transportation modes, picking the most acceptable mode of intercity travel for a particular situation regardless of past traditions and past habits. Although the distance between Montreal and Toronto may be similar to the distance between Edmonton and Fort McMurray, we must realize the climate and population differences may well dictate the implementation of an entirely different solution.

One part of this passenger transportation puzzle is going to be based on rail service. For reasons I will outline a little later, an improved electrified rail line in the Quebec-to-Windsor corridor appears to be an excellent solution to the transport problem in this specific area.

First I want to make it very clear that this rail line is not the system that now exists. Our present passenger rail service has improved somewhat after the advent of Via Rail, but rail lines are a long way from where they should be. The reason for this is the long, sad legacy of neglect from successive Canadian governments, a legacy which is costing the Canadian taxpayer dearly.

Let us take a moment to look at some recent rail history in Canada. The most recent definitive study of transportation in Canada was the MacPherson royal commission on transportation in 1961. Despite the age of this report some of the recommendations are still valid today, although they have never been acted upon. The operating deficit of Canadian passenger train services in 1958 was estimated at $78 million. The MacPherson commission study emphasized the change from a monopolistic approach to a new, more competitive transportation environment in Canada, an environment in which the road and air modes played an increasingly significant role. In the passenger sector, this spelled the end for the railway, which could no longer compete with the auto, the bus and the airplane.

If the MacPherson commission judged traditional passenger rail service obsolete in 1961, one can well imagine the shape it is in now. By and large there has been little or no change. As affluence increased and car ownership became universal, roads were continually improved and superhighways were built. Fuel costs stayed relatively low and, as a result, local and intermediate-range traffic became virtually monopolized by the automobile and, where traffic was large enough, by the bus; all at the expense of the railway.

What did these other forms of transportation offer? The average speed of cars and buses reached 60 to 70 miles per hour and intercity jet travel developed rapidly. The other transportation means offered flexibility, high frequency of service, comfort and privacy; even the limited comfort of the bus was well compensated for by a lower fare.

For pleasure and family travel, the car became extensively used; even for the longest transcontinental trips. The long-haul market was taken over by the airplane because of its high performance and speed, comfort and economy. The transcontinental trains indeed all but vanished.

The decay of train travel reached new heights in the 1970s. It became impossible to depend on the regularity of trains. In 1972, on the Montreal-Toronto prime passenger run, only 72 per cent of the trains arrived on time; on time meaning with less than a six-minute delay.

During the winter months only half of the trains were on time and this figure plummeted to a miserable 24 per cent in February. During that month only one train arrived on time, and delays of up to three and four hours were not uncommon.

Even this sad record could not rival that of the transcontinental trains. During the worst two-week winter period, two trains never reached their destinations at all and others were delayed by as much as 50 hours.

It becomes easy to understand the reason for the decline in rail travel when these figures are kept in mind and put into proper perspective.

The frequency in the scheduling of trains to and from key cities became atrocious. In 1973, on the Montreal-Ottawa run there were a total of seven direct trains, as compared to 18 express-bus runs and 17 air flights. No trains were scheduled to leave after 6 p.m. from either city. On the Montreal-Toronto run there were only two non-stop trains daily, compared to 38 flights and seven bus runs. There was little or no convenience in travel by train.

More important than punctuality and convenience was the incredible decline in equipment quality and comfort. Even if the price was comparable to other forms of travel and even if trains were as dependable, if the comfort factor was low it would put a very big dent in the business. In fact, this is exactly what happened.

Reports that appear in the daily press tell repeatedly of malfunctioning air conditioning and toilets, of poor food, of poor service

and of maintenance deficiencies and a general lack of cleanliness. Except for 25 10-year-old trains and the two turbos—which have had trouble in themselves—the average age of passenger rolling stock in Canada is over 27 years. This average is taken from over 1,100 cars, so I think it is a significant figure on which to draw an average.

Breakdowns of equipment are frequent. Dirty, 60-year-old coaches and even baggage cars are known to have been used to carry passengers. Shortages of equipment often occur. There is even an absence of government-enforced standards of service quality for passenger rail in Canada. The entire passenger rail service became obsolete.

The maintenance of these obsolete train services has cost the Canadian taxpayer dearly. Since 1967, passenger rail has been maintained in Canada through government order and subsidy to the tune of 80 per cent of audited losses. Subsidy payments have risen from $66 million in 1971 to just under $200 million in 1977. The forecast subsidy payment for 1980 will pass the $300 million mark.

These figures are staggering and become even more meaningful when subsidies are expressed in terms of revenue per passenger mile. The rail subsidy per passenger mile is about four times larger than the air subsidy and eight times larger than the car subsidy.

It is obvious that some kind of government subsidy must be given to the passenger rail service. With few exceptions, passenger rail is subsidized by governments all over the world, but on examination of these subsidies it was discovered that the losses per passenger mile were highest in Canada by a factor of eight compared with Japan and about three compared with West Germany.

The Canadian taxpayer pays more for the support of the railways than any of his western counterparts and what does he get for his money? He gets the most obsolete and poorest quality transportation system of a rail nature in the western world.

You may ask, Mr. Speaker, what has this vast amount of money been spent on? I will tell you where that money has been spent. It has been spent on the maintenance of the most obsolete train equipment in the world. Between 1971 and 1977, over $1 billion of public money was spent on the maintenance of passenger rail in Canada.

I admit the situation is not good, but that does not mean we should sit back and do nothing. Admittedly, there are pitfalls in pursuing some sort of passenger rail service. There are also great benefits. If nothing else, the Canadian government has seen the need for consolidating all passenger rail service in this country. Via Rail Canada Incorporated was set up in 1977 to do just that. It has been designed to integrate passenger operations into one corporate structure which will be totally dedicated to the rail passenger.

[3:45]

The job before Via Rail is a formidable one. It is faced with upgrading stations and onboard services, introducing a better system of reservations, making arrangements for convenient intermodal transfers and connections, refurbishing old equipment and acquiring new trains. Some progress has been made but not enough to reduce the losses significantly.

One important innovation is close to implementation, fortunately. A new computer reservation system which will automate ticketing goes into service next March. Developed by Air Canada, it will keep track of all seats and services available from Via, eliminating the long delays now encountered in mailing a reservation or even reaching a clerk on clogged telephone lines.

Via was charged with the responsibility of reducing the government's costs for rail passenger operations, increasing rail patronage under a single management and eliminating the duplication of services that existed under CN and CP Rail. To complete this task, it purchased the passenger rolling stock of both railways. This spring it will begin testing four diesel rail cars it has refurbished with modern interiors, improved aerodynamics and more powerful engines before going ahead with the remaining two it acquired from the traditional carriers. A selective refurbishing program is also under way in coaches and sleeping cars. This new equipment will provide some much-needed improvement in this area.

The key to a viable passenger train service is high speed. It seems that Via is moving in the right direction in other areas. An improved reservation system means improved customer access. New cars will mean more comfort. One organization should eliminate duplication of services. But none of these improvements will be worth anything unless Via can put into service high-speed trains through high-density areas.

To attain those high speeds, the government of Canada is going to be forced to make a substantial commitment of capital. Without this capital, there can be no improvement on passenger roadbeds. If there is no improvement in the roadbeds and signalling, Via schedules will not be significantly

shortened and Via Rail's competitive position cannot possibly be improved.

Via has $90 million invested in 22 LRC locomotives and 50 coaches. This new rolling stock is designed to operate at 120 miles per hour, but if the roadbeds are not improved then the stock will be unable to reach its designed speed capability and that $90 million will be literally down the drain.

It is very important that we learn from others. A key lesson to be learned is provided by the National Passenger Corporation in the United States, commonly called Amtrak. As in the case of Via Rail, the purpose of Amtrak was to consolidate and nationalize passenger rail service to arrest the climb of deficits and make passenger rail eventually pay its own way. It is now conceded these objectives are further away than ever and, in fact, they're not attainable by present means.

Amtrak was established in 1971 and by 1977 had accumulated an operating deficit of $1.8 billion. The subsidy in the 1978 fiscal year reached $779 million or about 200 per cent of total revenue. The US Department of Transport has estimated that Amtrak will need over $12 billion in subsidies through 1989 or more than $1 billion per year. Why then pursue a similar operation in Canada with this record? The answer is simple.

Despite a higher density of population in the United States, the American public would not use an outdated rail service. In 1979, 91 per cent of all routes were operated at average scheduled speeds of below 55 miles per hour. A system which relies on an average scheduled speed of 47 miles per hour on many long-distance trains cannot possibly compete with newer and faster modes of transportation. About 90 per cent of the route mileage is made up of runs in excess of 500 miles and these runs are just not proving feasible.

These mounting deficits will likely induce further cuts until passenger rail operations are limited to short-haul runs at high speed in densely populated regions. One area already planned is the Boston-Washington corridor. This is the domain in which modern rail is indeed truly competitive. Unless the course now chartered for passenger rail in Canada is drastically changed, Via Rail can be expected to duplicate Amtrak's expensive experience.

That is not to say Via Rail will definitely follow Amtrak's not-so-bright guiding light. Via Rail must have the necessary capital needed to upgrade the roadbed so that competitive travel time can be achieved. Via is on the way to improving other facets of train travel, but it must not ignore the factor that will make or break passenger rail in Canada. Via Rail must have better control of its costs if it is to priorize its needs and respond accordingly, and that is not at present the case.

Via does not control two thirds of its costs. This portion of money consists of moneys paid to the operating railways. They include payments for roadbed usage, maintenance, traffic control, ownership cost of facilities, the share of two superintendents' costs and so on. If they do not gain control of this spending then turning Via Rail into a money-making proposition is going to be just like trying to nail jelly to the wall.

One vice-president of Via Rail, Mr. R. Bechamp, has asked a rather poignant question: "Would any of you invest in a bankrupt company which had no control over two thirds of its costs, had no authority to monitor productivity and no means of amputating money-losing sectors of its business?" Mr. Speaker, if there are any members present or who will be present later who would make such an investment, then perhaps we can do business.

Another large benefit of this resolution would be the utilization of one of this province's greatest resources, a resource we have in great abundance. I am, of course, referring to electricity. Ontario has no main-line electric railroad today. Coal, and then diesel power, completely displaced the electric railroad which at one time was one of Ontario Hydro's first major loads.

Many railroads are again looking at electrification because of rising fuel costs, a desire to limit their dependence on a single fuel and the need to increase the freight capacity of certain lines. A major study is at present under way by the Canadian Institute of Guided Ground Transport, Queen's University, sponsored by the railway advisory committee of the Railway Association of Canada, to assess the potential and problems of electrification. A major problem is the high capital cost for the overhead power supply and, of course, a new signalling system.

The electric train represents a moving load of approximately 20 megawatts. For the line from Toronto to Montreal the peak load is estimated to be in the range of 80 to 120 megawatts, a relatively insignificant demand on the Ontario Hydro system. The construction of a major electrified line of 300 to 400 miles is probably years away from completion. The expansion of railroad electrification in Ontario will be slow, of course, because of the high capital cost.

Another drawback is the lack of high-density long-haul lines to justify electrification. However, one such area does exist: the Quebec-Windsor rail corridor. The Science Council of Canada has made an important recommendation in a paper entitled, Canada as a Conserver Society. It has listed, under a heading of "Things To Do Immediately," the following:

"Intercity buses average over 110 passenger-miles per gallon and computer trains can achieve better than 120 passenger-miles per gallon. However, present intercity trains average only 25 because of low utilization. In view of the fact that air travel is one third to one quarter as energy efficient as rail travel, railways in the high-density Windsor to Quebec City corridor should be upgraded.

"Electrification, too, has potential. Where the capital costs can be justified and where electricity comes from hydro or nuclear plants, electrified trains are more energy efficient than their diesel counterparts. Electrification would save liquid fuel and could lead to better utilization and lower costs."

That report was written in September 1972, over two years ago. I am saddened that a member of this House has to bring a resolution of this type into the Legislature at this time. The government of Canada should have been moving in this direction years ago; but the fact remains that nothing has been done. The only way the passenger rail system in Canada can be saved, in my view, is by moving towards an electrified light railcar line in high-density areas, such as the Quebec-Windsor corridor.

I hope this resolution, with all-party support, will push the federal government at least to move in this direction.

Mr. Deputy Speaker: The honourable member has one minute remaining. Does he wish to reserve that?

Mr. Ashe: Yes, Mr. Speaker.

Mr. Nixon: If the honourable member looks around the House and finds enthusiasm, or lack of it, in support of the resolution, he may just envisage to what extent this resolution, even if approved by the House, is going to impact on the government of Canada.

I say that not with any disrespect to the honourable member who has just spoken; I happen to have been working with the member for Durham West in the select committee on Ontario Hydro affairs for many months and I have learned to have a good deal of respect for his judgement. I can only assume he couldn't think of anything better for the private members' hour and so trotted out this matter, which is clearly a federal responsibility.

Frankly, I wish the line could be electrified. But I also wish that in this debate, which we set aside Thursday afternoon, week after week, we could talk about something more compelling, of more interest and importance to our colleagues in the Legislature.

We have a good deal of legislation that we perhaps should be dealing with. I don't want to downgrade the member personally, because I believe the criticism applies to private members' hour generally more often than not.

A good example of the other side is that my colleague, the member for Kitchener, is bringing in a substantial amendment to a provincial act which is going to be supported by the government, we hope, because it's so reasonable. In fact, we're going to improve legislation; we're going to improve the quality of life here.

To the resolution at hand: I say immediately that in many respects it's out of order and irrelevant to us. We would like to have electrified rail lines, but I don't think anything we can do here, unless we're prepared to build them ourselves, is going to have any impact.

I would suggest that we do have a rail line of our own. As a matter of fact, we have more than one. We could talk about the Ontario Northland. The government of Ontario transportation system, GO Transit, is really operated through funds provided by this Legislature. While I don't think it's time for it to be electrified, I would like to see the resolution apply to something over which our dollars might have some impact and it could very well be directed to that.

I was interested to hear the Premier (Mr. Davis), in some sort of response or interjection the other day, indicate that in the back of his mind was the possibility of electrifiying the GO network. I think that's an excellent idea. The only thing is, he responded that way when the argument was put that we have too much electricity presently available in Ontario.

Mr. Speaker is aware that our peak load at the present time is about 16,500 megawatts and with the plants now established we can turn out over 23,000 megawatts. Wih a 25 per cent cushion we have about 4,000 megawatts surplus, which is approximately twice the output of the world-famous Pickering power plant.

I mention Pickering because the honourable member for Durham West lives in its shadow. He tells us that repeatedly. And he says he's not worrying about it, although frankly when

we see him in action sometimes we're a little bit worried about it.

But the concept of electrification of rail lines should not be in terms of using up our surplus electricity. The honourable member has indicated it would take less than 100 megawatts to electrify the line, an insignificant, practically irrelevant amount when compared with the oversupply of electricity of which Ontario Hydro is presently capable.

Just as a footnote; naturally we're bringing more electric plants on stream from month to month and it is expected within the next 18 months the oversupply will not be 4,000 megawatts but 6,000 megawatts. We build this with money borrowed in New York at an average of what—10 per cent when we're lucky? The money we're buying now is coming to us at a much higher percentage indeed.

While those mammoths of technology sit there with the dust settling on their wheels like some kind of strange temples to Conservatism, we're paying interest to the money moguls in New York whether we're using them or not.

The Treasurer (Mr. F. S. Miller) often says the province of Ontario doesn't borrow money directly and that's true. But our agency Ontario Hydro does, and if anything ever goes wrong with our credit rating it will be laid at their feet and no one else's as long as we don't borrow ourselves.

The honourable member even mentioned the famous radial lines. When the former member for Brant, my immediate predecessor, first was elected this was a major issue. The then chairman of Hydro, Adam Beck, had been a member of the Legislature at one time, and even formed a Hydro Party. The honourable member should think of that. Couldn't he really get his muscles into that one?

He had a concept of putting these electrically-operated streetcars radiating from the hub of Toronto into many of the growth centres, including Paris, Ontario. We even had a radial in Paris. You could go all the way to Brantford. You could even go to Port Dover, which was another arm of the radial.

[4:00]

The government of the day in 1919 felt it was not a practical application and it did not proceed. Frankly, I think the government's judgement was very good.

I travel on a portion of the line the honourable member was talking about, from Brantford to Toronto, operated by Via Rail and it is excellent service. Certainly it could be made more frequent, faster, with newer cars and cleaner and then it would be fine; but it is world-class service in my view. The timetable is convenient, at least for me, and I suppose for other people who come down to Toronto to do business and go home in the evening. At $12 return, the rates are not bad and people who are fortunate, such as we, can send that to representatives of the Treasurer who will give me the money back. I am not so sure it is more convenient than driving in in a car, but that's another matter.

Mr. Samis: You don't get a speeding ticket, Bob.

Mr. Nixon: Yes, thank you for those interjections. I haven't had a speeding ticket since last February, responding to all the concern that is being expressed. At that time I hope to be down to five points, in case anybody is worried. All I need is to get to February with a clean bill of health.

I am very much concerned that the honourable member is talking about the LRC facility —light, rapid, comfortable. I don't know about the light part, but if it's rapid and comfortable that's fine. These so-called Budd cars are light, rapid and comfortable. They may be made, or parts of them are made, in Kitchener—I am told by the member for Kitchener that is not so—but the thing that's wrong with them ties in with what the honourable member said about high speed: they have to sound their horn too often. In such a little car one is right there where the thing is squawking all the time and one thinks, "Anything but this." It's very, very noisy. This is something that other people might not notice, I don't know, but for me this is a serious drawback in the so-called light, single- or double-car transportation.

While we're talking about amending and changing the concepts of transportation and particularly if we're going to electrify intercity public transportation, I think we should also envisage the availability of electrically-operated means of individual transportation. People who want to use the trains can drive their little electric buggies into the train station and plug them in there—the same source of supply that runs the train would be available. When they return from their work their little car would be all charged up and they could nip back to RR 1, St. George, or wherever it is they return to.

The concept of using other fuels besides diesel fuel is something that should perhaps be considered in the resolution as well. Certainly alcohol is going to be a principal fuel at the time gasoline gets up to $3.50 or $4 a gallon.

For the member for Sudbury (Mr. Germa), who is gracing us with his presence, it has of course the obvious additional advantage that when you are driving to Toronto and you feel the need of any stimulation you can use a long straw and just take the top off the gas tank.

Speed of course is essential. The problem really is that if these LRC trains are going to be averaging high speeds they simply can't stop at all of the communities such as West Hill or wherever it is the honourable member lives. They might stop at Brantford but I would expect the next stop would be Toronto. If these things are going to attain a speed that is going to make it better to use them than automobiles they are certainly going to have to maintain better schedules than they now do.

I was glad the member mentioned the improvement of ticketing procedures. The ones now are pretty antiquated. You go to buy a ticket to Toronto and you get a sheaf of stuff to put in your pocket. The honourable person who sells it to you in the train station takes off the copy and puts one away and crumples the other one and throws it in the waste basket.

There are many things that can be done to improve it. I personally have confidence, even though the honourable member doesn't seem to, that the elected members of Parliament have this as their responsibility and it is not ours except just as sort of an afternoon discussion.

Mr. Samis: First of all, I want to say that I do share the misgivings of the member for Brant-Oxford-Norfolk (Mr. Nixon) about the nature of the resolution and the fact this is essentially a federal prerogative. On the other hand, I do want to say I strongly support the intent of the resolution and the direction of the resolution. However, before I speak to the resolution, I want to dispense with some menial obligations I have.

My colleague, the member for Riverdale (Mr. Renwick) has specifically asked that in any upgrading of the Windsor-Montreal rail corridor, the plan should include the installation of a GO Transit station in York East, at Degrassi Street.

Having dispensed with my obligations to my colleague, Mr. Speaker, maybe I can return to the principle of the resolution with a little more enthusiasm.

I have a certain personal interest in the resolution, because I am one of the few members, I guess, who makes regular use of the Windsor-Montreal corridor. I frequently take the train either from Toronto to Cornwall or Toronto to Montreal. I have tried all three modes; the milk run, the Rapido and the Turbo; in fact I will be using that same service within the next 12 hours.

I have also had some experience in other parts of the world to compare our rail service to that of other countries. I had the privilege and pleasure of taking the bullet train in Japan a couple of years ago, and I have been able to compare that with the rather conventional diesel service in the People's Republic of China. I have also experienced some of the high speed electrical trains in France, some of the conventional diesels in Spain and Mexico, and a high speed train in the United Kingdom. When we hear people talk about the Canadian rail system, especially our friend Professor Lukasiewicz at Carleton University, we have to face the obviously reality we don't have an up-to-date modern system; and the reason is that the federal government hasn't spent enough money to develop a truly modern and competitive passenger rail system as some other countries have. Obviously we are way behind France, the United Kingdom, Japan, Germany, and even the United States, in our passenger rail service program.

We have another complication. We have a private railway that served the country and shared the burden of passenger rail service, namely Canadian Pacific. If there is any private rail company in this country that has served to sabotage, undermine and ruin passenger rail service in our country, it is the Canadian Pacific Railway. I think we are all extremely familiar with the fact that when they wanted to get out of the passenger business they deliberately downgraded the service, made it inefficient, turned people away from it so they could go before the Canadian Transportation Commission and then suddenly say, "It is not making its way, it is not financially viable. The people aren't supporting it, therefore we should discontinue it." It just further served to undermine the whole concept of a passenger rail service. A city like Cambridge today has absolutely no rail service whatsoever on a passenger basis.

On the other hand we have Canadian National, which didn't go on any deliberate binge to get out of the passenger business, but even so look at their situation. They are so severely strapped for funds they are unable to purchase the necessary new and efficient trains. They are unable to really effectively upgrade their existing rolling stock, they are unable to adequately improve the rail beds to a level necessary for efficient rail transport; that is what they have to cope with.

Also, they have to cope with the policy of those famous and unlamented luminaries of the federal scene, Jean Marchand and Otto Lang. I think we all remember the 1974 election, the famous promise that they would spend, I think half a billion dollars, in the next five years to upgrade our rail system, to buy new trains, to modernize it. That promise, like most of the other promises of that election, was a complete sham.

The CN and Via Rail have had to contend with the idea that international airports are the mode of the future; they are glamorous, they are trendy, and they really are the mode of transport we should be going towards. The result was something called Mirabel, that monument to waste and extravagance that cost somewhere between $1.1 and $1.4 billion when you include the cost of land acquisition as well as construction. Look at the Mirabel record since it has been in operation: it has only half the number of projected customers; it costs $32 per capita to handle passengers versus a North American average of $7; it is losing a million dollars a week; has lost $115 million in the first two years of operation.

Take Pickering, that political abortion. Already it has cost Ontario $278 million to date and it has cost Ottawa $140 million to date. Airports, the great mode of the future: in the past three years they have a deficit of over $1.3 billion. Yet we hear the critics talk about a $250 million subsidy to the railways. That doesn't include the $4 billion deficit created in 1979 for the cost of building roadways in Canada, which is borne by the taxpayers.

Even with the niggardly amount of money they receive from the federal government, even with a limited advertising budget, even with the deteriorating conditions of the railbed, Via Rail has managed to increase its passenger usage on the strategic Windsor-to-Quebec corridor by an average of 10 per cent in each of the past three years. It is expected the rate of increase will be even greater for 1979.

In 1978, the increase was 15.8 pr cent. That meant 3,876,000 people patronized the trains in that corridor. Even Professor Lukasiewicz, a critic of public rail in Canada, admits that the Windsor-Quebec corridor is a feasible corridor for high-speed rail transport and he would accept that as being a viable alternative to what we have today.

My point is very simple: give the trains a real opportunity to compete and they will prove they can win public acceptance, especially for trips of less than 600 miles, which is a generally accepted norm for maximum rail efficiency.

In terms of energy, we all know trains obviously make sense, especially the LRC model outlined by the member for Durham West (Mr. Ashe), when compared with other modes of transport. The LRC train with six cars and a capacity of 480 passengers on a seat-per-kilometre basis would consume almost 15 per cent of the energy of a standard intercity bus, less than five per cent of that required by a Dash 7 and less than three per cent of that required by a DC-9, assuming all three were used at capacity.

The labour requirements are less than 20 per cent of those of a standard bus. A 10-car LRC diesel train operating between Toronto and Montreal would operate at a seat-per-kilometre cost 40 per cent below that of a standard bus and 85 per cent below that of a STOL plane. The facts are there.

In terms of operating costs, in terms of energy usage, trains make sense. In terms of jobs, trains make sense. If we upgrade our railways, adopt the LRC and provide 4,000 kilometres of electrified double track between Quebec and Windsor we would be creating jobs. True, it would cost upward of $4 billion between now and 1990.

Let's put that in perspective. Air Canada is spending $2 billion right now to upgrade its fleet of aircraft. We are spending $4 billion on highway construction in Canada. In terms of Ontario, a recent government study indicated an expenditure of only $250 million to upgrade the present tracks in the Windsor to Quebec corridor would create 1,200 jobs for each of the next five years. To install a full LRC train system would mean Ontario would get the greatest benefit in terms of thousands of new jobs that would be created here in Ontario. We could manufacture the rolling stock, the rails, rebuild the rail lines and power them with our own electricity.

We would be developing our own technology in our own province. We would be reducing our need for energy imports from the west. We would be giving consumers another reason to reduce their own personal consumption and giving them an alternative to the car. We would finally be catching up with the Americans and narrowing the gap with the ever efficient French, Japanese, British and German rail systems.

LRC is something we need in Canada, it is something extremely well suited to the Windsor-Quebec corridor. It is something that makes energy sense, economic sense, consumer sense, transportation sense and something that is long overdue. On that basis, I am glad to support the resolution.

Mr. Kennedy: Mr. Speaker, I support the resolution brought in by my colleague from Durham West, and our colleague from Durham East (Mr. Cureatz), if he is back in time and has opportunity within the time constraints, is of the same opinion.

This resolution is an important step in upgrading a sadly outdated transportation system and in increasing our utilization of new and available technology. The saving of fuel costs cannot be underestimated in its importance to Ontario's energy needs. Such a rail system would do just that.

[4:15]

It is my view there is much unused rail capacity that can be upgraded and electrified. The member for Cornwall said he had some misgivings. I don't share any with the resolution and I think the speaker before him, from the opposition, said the same. The resolution is very simple. Let's modernize. Let's come into the 20th century by electrifying some of our rail capacity.

It is somewhat ironical that we have perhaps gone full circle. I too remember the radial lines, the London and Port Stanley. I know of the one that came into Woodstock and Paris, but most important, the radial lines from Guelph to West Toronto which I travelled many times, which was an electrically motivated rail system. At that time I would say the speed accelerated much beyond the normal rail traffic of the day. I can remember going to high school on the Guelph to West Toronto line and we would hit 80 miles an hour on a roadbed that wouldn't be of the quality you would need today for an electrified system that would travel in excess of 100 miles an hour.

In a way it is too bad that that system was abandoned, because if we had that right of way it would be upgraded and utilized to very good advantage in moving people along that corridor and through Mississauga.

While I am at it I should make reference to the fact that the provincial government has been and is involved in rail transportation. The GO system is a case in point. It is a great success which is going to be expanded along the CPR line out through Streetsville and to points west. We have the electrified TTC here in Toronto. I look forward to the time—and I hope it isn't too long; I would like to see it in the planning stages right away—when the subway system will be extended into Mississauga, probably along the Dundas highway. There is a density of population there now and a need that I think would be comparable to some areas now served by the subway system. This would help in taking pressure off our vehicular traffic.

The turbo train, which I like to ride—it was plagued with difficulties—is indicative of how people will respond to high-speed rail transportation. So all these things come together and electrification would indeed bring about a real thrust forward in the integration and co-ordination of our rail systems.

As mentioned by the sponsor of the resolution, my colleague from Durham West, the state of Canada's passenger rail ystem is deplorable. For over the past couple of decades it's been neglected and forgotten. Present-day technology has far outstripped our outmoded rail systems.

Yet, despite this state of affairs, passenger train service is undergoing a slight revival in the country. The traffic has grown at a rate of between 10 and 12 per cent since 1976 and it is expected to continue into the 1980s. This could well increase, with the rising cost of fuel for individual motorists. I hope that many of these motorists will start switching to trains, but we have to provide that facility and make it attractive to them.

I think it is important we carefully determine the role of rail transportation in our society and attempt to keep it within these parameters. It is pointless to try and push the passenger rail service into a market in which it cannot hope to compete successfully.

I am afraid present federal government policies are moving in that direction. For example, the improvements made down at the Union Station, where we couldn't get aid from the former federal government. The province went it alone and upgraded the facilities there. So there has to be a recognition of the potential and the need and a response from governments to fulfil this need.

For local and short- to medium-range trips, the obsolete train cannot compete with the car and the bus except where the traffic volume is sufficiently high. Bus transportation is an obvious successor to what, up to this point, has been obsolete Canadian passenger rail service. Our colleague from Cornwall mentioned other jurisdictions where great numbers of people are moved in this high-speed fashion and we must recognize the potential and respond.

One such area of high population density is the Quebec-Windsor corridor, although population figures for the period 1966 to 1976 show many cities' populations along this corridor rising dramatically. Quebec City, Montreal and Toronto are the cornerstones of this corridor; they have grown 24 per cent, nine per cent and 22 per cent respectively. More

important, the smaller cities which would make or break a high speed train system have also grown. Hamilton's population is up 16 per cent; Kitchener's is up 42 per cent; London, Oshawa and Windsor are all increasing.

This corridor should be considered for the major potential application of modern passenger rail in Canada. It has relatively small intercity distances, the maximum being 335 miles from Montreal to Toronto. A modern 100 to 125 miles per hour rail service can offer a highly competitive service compared to bus, auto and aeroplane travel. The key to its success will be its ability to attract a steady clientele from this relatively large population.

The private car has an incredible advantage over the train and bus in that it is infinitely more flexible. It can be cheaper than the bus, especially with the movement of a family. A bus doesn't have the great speed advantage, though, that a train has over a car, so it's not all that competitive. Air travel has a tremendous advantage over all other means of transport when it comes to servicing larger distances. The trips are faster and comfortable. The area where the aeroplane has problems is in the smaller and middle distances, and that's where this new updated service would fill a role.

An updated system for the Quebec-Windsor corridor may also produce another, often overlooked, side effect. The diversion of a portion of short-haul traffic from air to fast rail should alleviate to some extent the congestion of Montreal's Dorval and Mississauga's—it says here "Toronto" but I say Mississauga—international airports. A further reduction would also occur if these airports were provided with direct access by fast through rail to the corridor cities.

The Premier (Mr. Davis) suggested that 125 miles per hour service on an exclusive passenger track is an achievable goal in the Quebec-to-Windsor corridor. The first step would be a package of improvements offering a service of 95 miles per hour and could cost some $250 million rather than the billions that have been mentioned. This would provide opportunities for employment in the short term but this is secondary to the long-term benefits.

Rail improvement would help rail traffic to attain improved speeds, efficiency, customer service, labour productivity and safety. I can fervently support the safety aspect. It would also increase the availability of lower fare transportation. Another important long-term benefit is that an exclusive track would help eliminate freight interference, thereby speeding up both passenger and freight operations as well as reducing the risk of collision and accidents.

With those few comments, I am very supportive of the resolution brought forward by my colleague. I think the unused rail capacity, as I said at the outset, is there. It's there to be exploited to the benefit of the transportation industry in co-ordination with other modes of transportation. This is something we should be pressing the federal government to do; and we should get on with this as quickly as is feasible.

Mr. Blundy: Mr. Speaker, I am going to speak in support of the resolution put forth by the member for Durham West, however, I would like to suggest at the outset that this member, as all of us, must have many views on how we could improve the government of Ontario by our private members' bill periods, suggestions for innovative systems or policies that could be undertaken by the province of Ontario. After all, we are supposed to be the body that has some control over that, not the House of Commons. Nevertheless, the question being suggested and supported by the member for Durham West is of such importance to us in Ontario that I am very, very pleased to help.

We ought to be looking at what lies ahead for us in future years. We are coming into a period where oil, and as a result diesel fuel, will become much more expensive and its use will have to be eliminated in many ways. In Ontario we have an abundant supply of electric power. I think we ought to be looking at this form of energy for our main corridor.

I know the resolution refers to this main corridor as running from Windsor to Quebec, but I am speaking from Sarnia to Quebec, of course. We have the Lambton generating station in Sarnia which is producing electric power from coal, bought and imported from Kentucky and Ohio. The entire output of the Lambton generating station is exported across the river into the state of Michigan, which is fine for our exports and produces good trade relations between the two countries; but I would like to point out that this is one of the places where electrification of a line such as we are talking about could start.

The present facilities provided by Via Rail discourage passengers from using that form of transportation. It is approximately 200 miles from Sarnia to Toronto, which is a very considerable drive back and forth, particularly when weather is bad. We should be encouraged, and indeed want to use the railroad, but the existing railroad bed is not sufficient now to carry a high-speed train. The service is very poor. It is a three and a

half hour trip on the train from Sarnia to Union Station in Toronto. The train leaves at 5:30 in the morning and gets in here at nine o'clock in the morning. This seems very shortsighted. We are not going to be able to continue to drive our automobiles back and forth as we have been able to do in the past.

In the two and a half years that I have been in this Legislature, the fares on Great Lakes Airlines from Sarnia to Toronto have gone from $63.70 return to $105.90 return right now, using precious fuel and going up and up every day; and will go up more.

On the line we are talking about from Windsor to Quebec, or from Sarnia to Quebec, we are going right through the hearts of our cities. We don't have a 20-25 mile trip in from the airport by automobile, using further fuel, to get down into Toronto, into the downtown area.

The common sense of the thing overwhelms me. I don't know why the federal government isn't looking into this and putting into effect a crash program building the road beds to the extent they need to be rebuilt, improving the service, rebuilding the rolling stock and so forth.

This resolution refers to LRC—light, rapid and comfortable; as anybody will tell you, Mr. Speaker, the existing train service is heavy, slow and uncomfortable. It's such a sensible thing to build a service that is going to take numbers of people in a comfortable and speedy fashion in light of the energy situation we are facing.

[4:30]

In addition to this, the railroad companies and Via Rail, while they have improved their service considerably compared to what it was, have light-years to go before they will be able to encourage more use of the railroads. As I said, the main point of my speaking in this particular discussion is to show how every encouragement should be made to us to use that kind of transportation.

There were electrical lines in Ontario years ago which were abandoned because the automobile came in and took care of the transportation needs of the people of Ontario. That is now changing. We're not going to be able to use our automobile as we do now. When I drive in from Sarnia to Toronto on Highway 401, I would say that over 50 per cent of the cars that approach or pass me have one passenger in them. Everybody is using his own gasoline to go where he wants to go.

The whole resolution is absolutely essential to our future travel plans in Ontario and throughout Canada. I hope that a resolution of this nature, and the debate that accompanies it reaches the people in the government of Canada who are responsible for this transportation. It is the only way to go in the 1980s. We are going to find it increasingly more important.

Of course, in addition to electrified-rail, rebuilt road beds, we're going to have to have better service and a better means of ticketing and reservations. If necessary, we're going to have to have some kind of food service that is acceptable to the people. On that 5:30 train out of Sarnia in the morning, it sure would be nice to be able to come aboard that train and have a decent cup of coffee and some warm toast. What do you get? Coffee that you'd think is the residue from the manufacturing process at Union Carbide and some cheese sandwiches that you'd think were made by Petrosar. The whole thing is just discouraging for anybody who wants to use the present passenger service.

To sum up, it is absolutely imperative we in Canada go to a light, rapid and comfortable system operated by electricity. It is imperative that the government of Canada gets that message and that it knows we ordinary users of transportation in Ontario know this is the way to go in the 1980s.

Mr. Acting Speaker: The member for Wentworth for up to eight minutes.

Mr. Isaacs: Mr. Speaker, I rise to welcome the principle of this bill, applaud its intent, to lament the lack of explanation that's contained in it—the how and the definition of the Windsor-Quebec corridor—and to condemn it as yet another example of the enthusiasm for things they should be doing themselves.

As an aside, I want to mention that there has been some reference by members of this House to the radial railways that once ran in this area. I think that's an example of the problem of how the government likes to look back at its glorious past and refuses to look forward at how we could be building a better Ontario. The radial railways are being preserved very well by the Halton County Radial Railroad Museum, they are doing an excellent job. I think we should leave that job to them and plan here for the future.

There is one thing in this resolution, though, that hasn't been drawn out by others that I really do applaud: it indicates a belief on the other side of this House that the federal government should be involving itself in the transportation system in this country.

The rumours I have heard are that the federal government—the kissing cousins of the

member who introduced this resolution—have been thinking about privatizing Canadian National Railways. I am glad this resolution indicates the member's opposition to that kind of activity, that we here feel the federal government should be the one to invest in transportation systems.

There is one aspect I have failed to mention. Maybe it is the member's intent to have the federal government invest all the money in the railroad system and then to privatize it, as we tend to do with every other major industry that is doing so well in public ownership. I hope that is not the intent.

The definition of the corridor has been referred to by some of my colleagues with respect to favoured areas of the province. The Hamilton-Niagara area has been totally ignored by the government in terms of provision of railway transportation service in the GO system. I note that the member who moved this resolution is the only government member here at the present time for this debate, and that is pretty sad. I hope the minister and his government will take a look at the GO system and see whether that could not be expanded to fill some of the need expressed in this resolution.

We could be providing a light, rapid, comfortable rail transportation system, at least in the entire Golden Horseshoe. We could be getting many of the buses presently running on the roads under the auspices of the goverment of Ontario, and many of the private cars, off the Queen Elizabeth Way, the 401, the Don Valley Parkway and the other expressways in this area if we were to expand the GO Transit service to provide service to Hamilton and Oshawa on a full-time basis to the great area of Welland-Thorold and perhaps also to St. Catharines and Niagara Falls. That could be done and could be done now. In the process, it would mean the purchasing of railway equipment built by Canadians, which would benefit the Canadian people in many ways.

In the few minutes I have I don't want to dwell too much on the alternatives that exist for public transportation. I want to make a suggestion that the government, if it supports this resolution—and with the member for Durham West I hope it is supported on all sides of the House—the government could take some steps in this area that would do a great deal for the country. The government of Ontario could take the initiative in the upgrading of the rail corridor as far as the Quebec border and could negotiate with the government of Quebec to extend that corridor by provincial action into the province of Quebec.

The forging of those strong rail bonds between Ontario and Quebec, in my view, would do a great deal to increase the need we have for understanding between these two great provinces. It would enable people to move more freely between them, avoid the long drive that is necessary to get to Montreal and Quebec City, and encourage cooperation, which is what federalism should be, rather than passing the buck to the federal government to do everything for us and on our behalf.

The initiative really could come from the other side of the House. The member for Brant-Oxford-Norfolk said earlier the resolution refers to something that is clearly a federal responsibility. I reject that. I really believe the initiative could come from the provincial government. It has come in terms of the GO train service. There's a great deal more that needs to be accomplished, and I don't mind whether it comes using the train that carries the trade name LRC or whether it comes using the double deck cars and other types of equipment that have been and are being developed by the UTDC. That kind of initiative could indeed carry us forward into an age where public transportation is the predominant mode of travel.

A few years ago, in another capacity, I was involved in a study in which we looked at air transport movements out of Toronto International Airport, the destination of the flights and the need for the expansion of that airport. It became very clear to us that if the flights from Toronto to places in the Windsor-Quebec City corridor were replaced with a train service, as is being suggested in this resolution, the thought of a second Toronto airport, possibly even the thought of expansion of Mount Hope Airport would never have come about.

Mr. Acting Speaker: The honourable member's time has expired.

Mr. Isaacs: This is a great resolution; but it needs more than urging the federal government, it needs some real positive commitment from the government of this province to public transportation.

Mr. Ashe: Mr. Speaker, what really could come about with the implementation of the thrust of this resolution is high speed, fast-turnaround traffic and a new train service able to divert air and road transport, which I think is one of the things we're aiming for, with significant savings in gasoline, jet and diesel fuel; high operation and maintenance savings; high technology utilization within the electrical industry in its broadest sense; possible savings in highway maintenance, for example;

possibly no need for another Mirabel, as has been mentioned; and one hopes the creation of a revitalized artery for Canada's industrial heartland.

The advantages, I think, speak for themselves. Let me assure the honourable members that the debate as it has taken place this afternoon, along with my covering letter, will be forwarded to the federal government, assuming passage and support by this Legislature.

FAMILY LAW REFORM AMENDMENT ACT

Mr. Breithaupt moved second reading of Bill 159, An Act to amend the Family Law Reform Act, 1978.

Mr. Breithaupt: Mr. Speaker, the reintroduction of the Family Law Reform Act took place here on October 17, 1977. The debate of second reading occurred the next day.

The bill had been brought in previously and had had substantial hearings. The bill then returned to the committee stage for many further changes. Much comment was made as the whole package of family law bills went through the stages of public hearings and comments. Articles were written and some 40,000 copies of the proposed legislation went all over Ontario.

It really had taken almost 10 years of effort to get the legislation finally in place.

Most persons would have expected that all of that time and effort would have produced a perfect result. However, that was not the case. There was a particular problem which came to light as the result of a decision made in the family court in Kitchener.

It so happened that the lawyer representing the claimant involved was Mr. James Gothard, with whom I practised law from 1968 until I closed my practice in June of 1975 to devote my full time to my duties in the Legislature. I am no longer involved in private practice and I have no obligation to Mr. Gothard, in any way, to bring forward this bill.

I would certainly not want the Speaker, or any other person in Ontario, to think that I'm trying to have a law changed in order to benefit personally in any way from that change.

The facts of the case were these. A mother of two teenagers had applied to the family court to collect arrears under an order. These arrears had built up to $1,000 or so, based on payments which had been ordered of $50 a week for each child. The judge looked at section 27 of the act and noted that it read as follows, and I quote subsection 1 from the 1978 red volume of the statutes, where the Family Law Reform Act is chapter 2:

"The clerk of the united family court or of a provincial court (family division), upon the request of a person entitled to support under an order for support or maintenance enforceable in Ontario or other persons or agency mentioned in subsection 3 of section 18 and upon the filing of such material as is prescribed by the rules of the court may enforce the order."

That reference to section 18(3) is as follows: "An application for an order for the support of a defendant who is a spouse or a dependent child of the spouse may be made by, (a) the Ministry of Community and Social Services in the name of the minister; or (b) a municipal corporation including a metropolitan district or regional municipality, but not including an area municipality thereof."

As a result, the mother had made the application for the enforcement of this order, but the statute only allows two persons to be applicants. The first is "the person entitled to support" and the second is the Ministry of Community and Social Services or a municipal corporation in certain particular circumstances.

The judge ruled that only the children in this case could request that the payments be enforced by the court. In Kitchener, this application is one of about 80 which pass through the family court each month. Certainly a number of these would be involved in this particular problem, as would many right across the province. While teenagers could possibly make the application, what about the infants and small children of five or six years of age who could obviously not apply to have orders enforced on their own behalf?

I immediately sent the newspaper story that appeared in the Kitchener-Waterloo Record to the Attorney General (Mr. McMurtry) on October 3. There accordingly appeared to be four possible approaches which could be taken. The first was to appeal the decision—this was the route which has been suggested by an information officer in the Attorney General's office—then if the appeal court was to uphold the judge's decision, an amendment to the act could be considered by the Attorney General's officials.

In my view this was an alternative, of course, but there would certainly be no appeal in time to have any prospective legislation in this session, which will end in mid-December. Any governmental amendment would have to wait probably until next

spring, and in the meanwhile many children would be suffering.

The second approach was to try to use the law of agency, since those under the age of 18 cannot act on their own in family court matters. That suggestion was made after a similar decision was made by a county court judge in Woodstock in late September. There may be a prospect of such actions, and a letter to that effect was sent to the family court judges in Ontario by the chief judge for the consideration and use of those other judges. But the section, as I have said, does not refer to the right to use an agent.

The judge in the Kitchener family court was quoted as saying, "As the rules of our court stand now, I don't see any provision for the parent to act as an agent for the child. The rules don't seem to permit anyone else to act for the child."

Unlike county and supreme courts, the family court division of the provincial court has no particular provision allowing adults to launch proceedings on behalf of children, who are viewed by the court as minors. Therefore that suggestion, if used, could have been easily challenged.

A third possibility was one which I suggested to the Attorney General in my letter to him of October 3. That was the idea that some instruction as to the wishes of the Legislature might be given to the judge of the family court with the prospect of an amendment being eventually made. The Attorney General had not received this letter by the time I asked the question about this matter two weeks after my original letter to him, but his reply set out the view that this route of instruction was not one he would prefer to follow.

The fourth alternative was to change the law, but with the backlog of legislation already on the Order Paper and with only three more Tuesdays left for legislation, that also seemed an unlikely prospect.

The opportunity to change the law, however, was not only a prerogative of the government; there was the chance of using a private member's turn to bring in an amendment which could also be accepted by all members and which, hopefully, could be passed by this House. As I had the ballot turn this afternoon, I decided to bring forward the amendment which you see in Bill 159.

I am most pleased with the comments a number of members have made about my proposal, and I was particularly delighted to receive a call from the Attorney General's office expressing support for my attempt to help a number of children in this province who would benefit from this amendment. I hope the Attorney General or his parliamentary assistant will be able to speak in favour of the bill this afternoon.

A suggestion for an amendment to my bill was made by the counsel for the policy development division of the ministry, Mr. Craig Perkins, who is under the press gallery. He suggested a certain amendment as someone who was the original draftsman of the original family reform bill. The amendment which has been suggested does change a word or two and certainly clarifies the intention of my bill. The amendment will make my suggestions more consistent with the wording and style of the act and, of course, I am most pleased to accept that amendment. It can be put at the committee stage of the bill.

There are not many occasions on which we, as legislators, can actually and directly help specific individuals in our society. I suggest to you, sir, that the passage of the amendment to the Family Law Reform Act which I propose may well be one of those occasions. I would welcome the support of the members of this House, and I hope this bill will not only receive second reading, but that time will be available for it to go through the other stages in the next several weeks. We will have the opportunity to assist a number of children in circumstances where the applications which have been made from time to time, ordinarily by the mother, are now being called into question. I hope that opportunity will be clarified.

I welcome the support I have received and the encouragement from the Attorney General. I hope we will be able to resolve this concern and benefit a number of our citizens.

Mr. Acting Speaker: You have eight minutes left. Do you wish to reserve them?

Mr. Breithaupt: No, Mr. Speaker.

Mr. Bounsall: Mr. Speaker, I am pleased indeed to have the opportunity to rise in this House and speak once again, as I tend to do forever, on this bill.

As the parliamentary assistant to the Attorney General knows, this has become somewhat of an obsession with me, the intricacies of this bill and the various parts that are still not working. I look forward to the remarks which the next speaker, the parliamentary assistant, will make on this bill, and I agree with the person who presented this bill: I certainly hope what we will hear from the parliamentary assistant is that, with whatever minor amendment is required to achieve exactly the purpose desired, the gov-

ernment will support this on second reading and will have it put to committee for those small positive improvements which the member for Kitchener has mentioned. As a House, I am sure we will deal very speedily with this in committee and have this bill in law before Christmas.

This is certainly a positive amendment. I was very discouraged, when it occurred, to see the way the judges interpreted this section, disallowing the parent of a child for whom support had been ordered by the court from bringing an action forward in the absence of that child doing so, in fact indicating that the parent could not do so. This is what the amendment corrects.

It is a very small, straightforward, very reasonable amendment, which makes it clear to everybody in the province that support payments should be paid. It makes it clear that the clerk of the unified family court or the provincial family court must, upon the request of anyone involved, such as the parent of a dependent child supposedly to receive child support, shall enforce upon their request the order of the court.

I am a little surprised. The one amendment I would make, if it gets to committee, is to change the "may" to "shall." Then it would be unambiguous that we expect the unified family court or the provincial court, family division, whichever court is involved, shall, upon the request of any one of the three parties outlined in this bill, enforce that court order for support. There are simply far too many persons in our society who have court-ordered support payments on them who simply refuse by a whole host of means to meet and live up to those court-ordered support payments.

We have an interpretation of the present section of the act which makes it very difficult for those court orders to be enforced when the narrow reading of it caused a parent of a dependent child to not be able to go into court and have that order enforced.

We certainly support this amendment. I would prefer the "may" to be "shall," and we may well consider that as one of the amendments in what should be a very quick committee stage consideration of this bill. I certainly look forward to the parliamentary assistant speaking next and saying to us that members on the government side will accept this private member's bill, will bring it forward to committee before Christmas and remove this obvious loophole, the obvious anomaly in this section of the act, which would facilitate the collection and payment of the whole support section of this bill.

I am very disappointed in the number of cases across the province where the Ministry of Community and Social Services or the municipal corporations, those people referred to in section 18(3), do not take a hand. In my area when you say to these people that they can themselves go into court and request the support payments be made, they are not doing it. They are saying unequivocally they are going to make the person involved do it.

I would like to see the Ministry of the Attorney General make a survey, if they haven't done so. It would be interesting to see how many aren't doing it. Most of them aren't. I wouldn't want to see time consumed by the survey; but this government—maybe the Ministry of Community and Social Services, maybe the Ministry of Intergovernmental Affairs, or both—should make it very clear to ComSoc itself and those municipal corporations that they are to go into court and help in the collection of those support payments. They are allowed to do so under the legislation, yet it is my perception they are refusing to do so right across this province.

Why are they refusing to do so? Why do they keep hassling the person on mother's allowance who has a court-ordered support payment from a deserting spouse on behalf of their children? Why do they continue to try to hassle them into court? This amendment will help clear that up. In order to collect support payments when the agencies involved can do it, we need some real action on the part of the officials concerned in this government to say to those agencies, "You go in there and you get it."

[5:00]

I know of a situation now where the Ministry of Community and Social Services is not using its legal staff. They have dragged their feet over the course of a year and a half in going into a Michigan court to collect over $7,000 from a spouse who is resident in the city of Detroit; they have a lawyer who would do it in Michigan on a percentage basis.

I cannot see why ComSoc is not interested in returning that money. That money would be returned to the Ministry of Community and Social Services. Why aren't they interested in receiving that money into the coffers of the province of Ontario? It is a disgrace. It's the public's money they are not collecting, which they could darn well easily collect if they went into that Michigan courtroom after it.

All the officials within the ministries concerned have to take a much more active role in the collection of court-ordered support

money across this province. I would ask the parliamentary assistants and the ministers involved to take this point seriously and tell those agencies to get out there and collect the money.

There are other parts of this Family Law Reform Act which have an equal or even higher priority than this, although this is a matter which should be addressed, and addressed very quickly now, so that the intent of this bill is carried forward.

I can point to another couple of problem sections in the bill. It's because I'm lazy that I have not produced a private member's bill myself on these problems which should be addressed.

Of course I refer to section 11 of the present Family Law Reform Act, where we did exactly the wrong thing. We abolished the presumption of advancement and allowed the presumption of resulting trust to act both ways. We abolished the wrong presumption. We retained the presumption of resulting trust.

Take the example of a man giving a gift to his wife. That gift is not a gift, she is just holding it in trust for him. If I give my wife an angora sweater for Christmas or any other time, I'll make sure I get one big enough so I can wear it if there should be a marriage breakup, because it's mine. All she is doing is holding it in trust for me. That acts both ways, for every gift that transfers between spouses; they are, in fact, just loans to the spouse. That means in the event of a marriage breakup they can be collected back unless I so state at the time of the gift that this is indeed a gift to my wife irrespective of section 11 of the Family Law Reform Act.

We should have abolished the resulting trust presumption and put in place the presumption of advancement operating both ways which says any gift I give to my wife is hers—

Mr. Deputy Speaker: The honourable member's time has now expired.

Mr. Bounsall: —unless I so state otherwise; and any gift she gives to me is mine, unless she so states otherwise. That surely needs to be redressed and reversed in this Family Law Reform Act.

Mr. Sterling: Thank you, Mr. Speaker. I welcome this opportunity to talk again on this matter of importance to all people in our province.

I would like to congratulate the member for Kitchener for bringing forward this particular amendment to the act. I think it is important to note that the ministry has not encountered a great many problems with this act and we have only a few areas where we would like to change a few sections, which we expect to do in the spring. Be that as it may, I understand the feelings of the member for Kitchener, who had this issue brought forward by someone living in his constituency.

When we look at the family act as a whole, and I'd like to talk about it as a whole for a short period of time, we have had very few conflicts or troubles or problems with this particular piece of legislation.

Mr. Bounsall: It needs some improvement.

Mr. Sterling: In answer to the member for Windsor-Sandwich in talking about section 11, I would indicate some other very cogent reasoning has to be brought forward in terms of that particular section.

Mr. Bounsall: You never did it in committee and you never did it in the House.

Mr. Deputy Speaker: The question period expired quite some time ago.

Mr. Sterling: Thank you, Mr. Speaker. In fact, this bill has been used as an example for many other provinces. I think Prince Edward Island has virtually copied the bill word for word. British Columbia has also implemented large portions of this piece of legislation, as well as New Brunswick, I believe. Be that as it may, there are minor problems. We recognized when we were sitting in committee on this particular bill that because it was such a wholesale reform of the act we would expect these small problems would arise.

Actually, the fact that those small problems haven't arisen is really a credit to the process that went on during that whole hearing on that bill, which predated my tenure here in the Legislature. Many representatives from all parts of the province participated in this very important debate.

To review some of the positions that the court has taken on this particular Family Law Act, the Attorney General recently has presented that paper to the justice committee which is now sitting during his estimates. The courts, basically have adhered very strictly to the equal sharing of family assets and have departed from that only in unusual cases. Where the wife has discharged her homemaking functions and has earned income and made financial contributions to the welfare of the family, while the husband did not make any substantial contributions in either area, the wife in some cases has received more than half of the family assets.

Where a husband has liquidated family assets in an attempt to defeat his wife's claim, the wife has again received more than half

the family assets to compensate for the assets disposed of. The fact that property was acquired by gift or inheritance has reduced the share of one spouse but has not resulted in a complete exemption from sharing. In one case, unequalled sharing resulted from the acquisition by one spouse of assets bought before the marriage, which lasted only two and a half years.

In a great majority of cases, however, family assets have been divided equally. Furthermore, there have been several cases where the contributions of the spouse in work or money have received recognition up to the point of half a share in the business operation or farm where the efforts of spouses resembled a joint venture. Likewise, there have been cases where a wife has received a share of business assets for the homemaking services which permitted her husband to devote his undivided attention to his business endeavours.

In support orders, the courts have generally reached decisions based on evaluation of economic factors without regard to matrimonial misconduct. Support orders are now made with an awareness of the obligation of both spouses to take measures to become self-supporting. This has resulted in orders that are of a limited duration or that may be reduced over a period of time in some cases.

That brings us to the automatic enforcement provision of the bill and the specific intent of the member for Kitchener's bill. One of the features of the support provision of this act is the enforcement system contained in the act and in the rules and procedures of family courts across the province. The clerk of the court is empowered to enforce the orders at the request of the person receiving support. When the request is received, the court staff begins monitoring payments under the order and sends out reminders if payments fall behind.

Unfortunately the procedure varies across the 53 family courts in the province. This is due in some cases to the wishes of the family court judges, and in other cases it is due to staffing restraints.

It is interesting to note, though, that in cases where there is automatic telephone followup, where there is automatic monitoring of the account, there are significant increases in the collection rate.

At present, of the maintenance orders made, approximately 80 per cent are collected. I will pass along the concern of the member for Windsor-Sandwich to the Minister of Community and Social Services (Mr. Norton) in relation to the attitude of those officers in collection of payment.

I think his feeling might be that unless the person who has the order requests such help, then that help should not be given. I don't argue one way or the other on it because I haven't had an opportunity to discuss it with him, but I think that might be his attitude. If a debtor is called into court, the judge can decline to enforce an order if he is satisfied the debtor can't pay. He can make an alternate order if it is necessary and can secure the payment some way.

In some cases a spouse has been able to obtain an order for exclusive possession of the home. This is done when it is in the best interests of the child to provide a permanent shelter that is in the marriage environment.

Such an order results usually in the postponement of the sale of the matrimonial home until the order expires, that usually being the period of time when the children leave the matrimonial home. The cases where an exclusive possession order has been granted involve the need for stability.

Concerning section 27 of the act, there have been two court decisions which state that a parent cannot invoke the automatic enforcement support on behalf of the child; in other words, the child must invoke his own enforcement. One of the problems I have—and I would hope the member for Kitchener would have an opportunity to answer questions—is in that case—I think the children were 15 and 17 years of age—I couldn't quite understand—

Mr. Deputy Speaker: The member's time has expired.

Mr. Sterling: I would like to indicate that we will support it. I would like to indicate that because of the nature of the bill, the fact it is a minor matter, not a matter of general government policy, that I have recommended to the House leader that he put it into committee of the whole House in the ensuing three weeks and that we eventually call it during this session for third and final reading.

Mr. Williams: The fact we don't have a normal sequence of speakers from the other parties I hope doesn't indicate a lack of interest in the bill we have before us today. Rather I hope there is unanimous support for the legislation that has been brought before us, to meet a specific situation presented to us by the sponsor of a bill which illustrates very clearly a problem that exists in the existing legislation.

[5:15]

I'm pleased to reinforce the government's support of this bill by rising to speak today. Like the rest of the members in the Legisla-

ture, I am greatly concerned about the quality of life for children in this province. There's no question but that in this day and age, when there is so much going on in our society, and where the family unit is no longer a total component but involves one-parent situations, this type of setting quite often creates, not only emotional, but financial hardships for the innocent children of these family breakdowns. It is important for us to try to resolve as best we can in legislation some of the problems that have arisen.

All of us, as parents, have the responsibility of raising and providing for the physical and also the spiritual needs of our children. We like to think that, ideally, both parents would always be available to care for and nurture their children in the way they best see fit. Unfortunately, for the reasons I stated a moment ago this is not the case.

The public attitudes towards the importance of the family unit and the whole social structure of our society have changed dramatically in recent years. The assurance of the continuation of the family unit and the availability of parents to provide care and guidance for their children is no longer assured as much today as it was in previous decades.

The family law legislation obviously recognizes those changes and was the primary reason for which it was brought about, not only to provide greater equity for those who have been in a marriage contract but also for the children who have been born out of that relationship.

In addition to this family law legislation, the Ontario government has instituted other laws and programs designed to protect the rights of children in other areas. My colleague has already mentioned that the Attorney General's office is working on changes that will benefit and strengthen this legislation as well.

There is no question that the topic of support payments and the enforcement of such payments is a highly emotional and complex issue and one that is not readily solvable. It's very easy to set out the guidelines and procedures in statute law but there is no more difficult type of legislation to enforce than that dealing with domestic matters where individual attitudes and emotions are so directly involved. For the courts to try to govern and control those in a legislative, legalistic manner is not always easily attainable. Each case has a different set of factors and variables that may or may not be solved to the satisfaction of the people involved.

The Ministry of Community and Social Services through its desertion services section, helps locate spouses who have deserted their families in order that support may be pursued. Its staff works with the family courts to facilitate enforcement procedures. The concern is that not only must payments be made, they must be made on a regular basis. If this is not possible in certain circumstances, the ministry will provide support payments to the family.

It does distress me, as I know it distresses the other members of the Legislature, that some people treat the demands of parenthood in a rather loose and light fashion and don't consider those responsibilities as seriously today as in the past, perhaps. I was most interested to listen to the reasons given by the sponsor of this bill for bringing this matter before the House in this way. He cited clearly and concisely the other options he had tried in an effort to bring a successful resolution to the very personal problem his constituent had experienced, which had attracted his attention to the whole matter. I think he has made it clear to the House that those several options were not readily available to him in assisting his constituent and in dealing with a very basic and fundamental problem, an obvious deficiency in the existing legislation. To deal with it expeditiously, the member has presented a convincing argument to this House this afternoon that this is the most appropriate course to pursue.

For this reason, I am pleased the parliamentary assistantant has indicated this government would be prepared to support the legislation. I would not have expected him to say otherwise. Certainly, I am prepared to give that support, as I am sure are all members of this House.

It is quite clear that occasions will arise to illustrate our fallibility as legislators. We can make errors in dotting the i's and crossing the t's when we enact legislation in this House. It is apparent from a reading of the relevant sections in the existing statute that it cannot accomplish what was intended, and the courts have found this to be so as well. No one can question the decisions taken in those two cases that highlighted the deficiency. The sponsor of the bill spoke specifically to those two court decisions.

It is quite clear the courts of this land have shown the inadequacy of the wording in the existing statute, which runs contrary to what was intended. For these reasons I would simply conclude my remarks by saying the member for Kitchener is to be commended for having investigated this matter so thoroughly. After having exhausted all other options, he has chosen this way to bring the necessary equity to the situation, not just

for his constituent but for the many innocent children who are also affected.

Mr. Deputy Speaker: The member's time has expired.

Mr. Williams: As I said earlier, I am pleased to support this bill before us today.

Mr. Bolan: Mr. Speaker, I'm very pleased to be able to address myself to this bill. The previous speaker has mentioned that his party will be supporting this bill and I'm very pleased to hear that. But I suppose, as a lawyer and as an officer of the court, I really must express my absolute and total dismay at the callous disregard shown by the Attorney General when my colleague first brought this matter to his attention.

The information which I have, and which I understand is correct, is that the member for Kitchener brought the decision of Judge Douglas Bean to the attention of the Attorney General. I understand the Attorney General had been requested at that time either to amend the act to permit the parents or guardians to act on behalf of the children or to appeal the particular ruling.

In a letter to my colleague dated October 17 the Attorney General took a rather high-handed approach and said he wasn't prepared to do either of them at this time. I can only say that in my opinion that is a very callous and disrespectful attitude for an Attorney General to take, in view of something which obviously is so flagrant.

It certainly does please me very much to see that the members on the other side are going to support this bill. Had the Attorney General acted promptly when this matter was brought to his attention, perhaps we would not have been put through this exercise at all. I'm quite certain immediate action should have been taken by the Attorney General when this matter was drawn to his attention by the member for Kitchener.

Incidentally, I think the decision of that particular judge is as deficient as the section which presently deals with the enforcement of that order. When an order is made, the order is for payment to the parent on behalf of the children. In all of my years in court, in all of these family court matters in which I have appeared the order is always made "and the husband shall pay to the wife for the support of . . . " and then the children are listed and their ages given. To me the wrong interpretation was placed by this particular court on that particular section.

However, I suppose it is because of deficiencies of this nature that we do present this bill today. The member for Kitchener is certainly to be applauded for the immediate action which he has taken.

I think this brings us to a broader area with respect to children in family courts. The child in family court today is represented by the parent; that is to say the mother —or, now, the father—who applies to family court for support does so on behalf of the children. We are relying on that parent to give proper advice and to make proper representation on behalf of that child. Many times, where family court orders with respect to children were obtained in such a way, I've seen that the greater allotment of the money which was to be paid—In other words let's say the supporting parent is the father, who can pay only so many dollars, for example, $200 a month. What they will do is to apportion that money in such a way so the wife receives the greater amount.

[5:30]

I have said many times—and I've spoken about this in family court—that perhaps the day has arrived where the child in family court should be properly represented by the office of the official guardian.

There are so many of these cases coming to court now and in so many instances the rights of the children are not being adequately looked after. The day may very well have come, or it may very well come in the near future, when a child should not necessarily rely on the representations of the parent who is applying to family court on his behalf. Rather, there should be representation made on behalf of the child in the presence of the office of the official guardian to safeguard the best interests of the child.

It may very well be that this is cumbersome; it may very well be that this is costly; however, it could be that the agencies of the various family service societies which there are in various municipalities—many of them, incidentally, now have permanent counsel; they have permanent legal staff because of the complexities of the matters which have arisen in that branch of the law—should have a representative of those family services in court to see to it that the interests of the children are fully protected.

As I said, I have seen many instances where the pot is divided in such a way that it is the wife who gets the greatest portion of the moneys which are available and I just don't think it's fair. I don't think it's fair for the child. It's not fair for the children. I am addressing myself to that because I think it is an area of great concern and because it's an area which I believe deserves future consideration.

The whole idea of enforcement of orders in family courts can only be described—certainly in many respects—as frivolous. What usually happens is that the person who is ordered to pay falls into arrears. He may be in arrears for years, for two years or three years. He will appear in court on a show-cause summons or whatever mechanism brings him into court and the first thing that happens is that the arrears, whatever they are, are wiped off the books and they start all over again as though he has expiated his sins or his inability to pay or his unwillingness to pay. He comes to court and says, "I realize I am in arrears for $4,000 or $5,000 or $6,000, but I simply don't have it, so I am asking that the deficiency be wiped off the books." Often that is done. I find that the method of enforcement of orders in family court is cavalier and it certainly is not carried out in the manner in which it should be.

Again, I must compliment the member for Kitchener for bringing this private member's bill forward and, again, I also must take issue with the office of the Attorney General for being so lax and for not doing anything about this, even after it was brought to the attention of the Attorney General. It's a cavalier attitude: "We're not going to do anything. We're not going to appeal the judge's ruling and we're not going to bring in an amendment to the bill." That is precisely why the member for Kitchener has had to do this. As I said, it's a cavalier attitude which is demonstrated too often by that ministry.

In any event, it certainly has been my pleasure to rise and speak on this bill. I understand it is being supported by all members of the House and I think that in itself is quite complimentary.

Mr. McClellan: I am happy to rise and participate in the debate in support of the bill before us and to congratulate the member for Kitchener for bringing it forward.

I want first to continue in the same vein as the previous speaker with respect to the traditional attitude towards the enforcement of maintenance orders by the court and the agents of the court. This is one area of the law that is systematically treated as a joke. It is systematically held in contempt. There has never been any serious commitment to the enforcement of maintenance orders by the legal system—from the courts right down to the lowest minion of the courts. Enforcement orders are treated as matters of no account.

I have a copy of the study entitled, Family Law Enforcement of Maintenance Orders, prepared for the Law Reform Commission of Canada by Edward F. Ryan—I believe in 1976. He undertook a quite thorough study of the state of enforcement of maintenance orders at that time. One of the things he dealt with in the study is the fact that over half the maintenance orders throughout the country, on average, are never enforced; the payment is never made.

That has been documented here and in other studies. I don't know what the figures are for 1978. There is a reference in Mr. Ryan's study to the statistics—albeit for 1971 and 1972—that the amounts received pursuant to maintenance orders represented only 55 per cent of maintenance becoming due. This is in Ontario and in other provinces the percentage of—

Mr. Sterling: It is about 80 per cent here.

Mr. McClellan: Is it 80? I would be grateful, and I mean this sincerely, if the parliamentary assistant could provide us with some current statistics. The material we have been shown to date indicates an enormous amount of arrears—something in the order of $36 million in arrears on unpaid enforcement orders. The studies I have seen indicate the rates across the country vary upwards from 50 per cent—unenforced, not enforced.

Mr. Sterling: It depends how you look at it in dollar value.

Mr. McClellan: Yes, it does depend how you look at it in dollar value. I would like to know the basis of the parliamentary assistant's understanding of the situation.

Nevertheless, it is a truism to say that enforcement orders are not taken as seriously as any other matter that comes before the court—I think even including traffic tickets. I am not being flippant. I really think there is a very strange and, in some respects, malevolent attitude towards enforcement orders that needs to be addressed vigorously by the Solicitor General and the Attorney General, even if they are the same person.

We are pleased to see the amendment because it addresses an injustice that existed within the Family Law Reform Act. It now makes provision for dependants to have their rights to maintenance enforced and it jibes with the recommendations discussed by Mr. Ryan for the Law Reform Commission of Canada.

In his summary of solutions to the problem of non-enforcement, he starts by saying in his third recommendation, "Dependent children should have the independent right to enforce maintenance orders made in their favour." I think everybody here accepts the basic principle the member for Kitchener has spoken to and tried to deal with.

Let me deal with the matter contained in section 1(c), the business of other persons or agencies assuming the responsibility and onus of making sure maintenance orders are enforced. In Mr. Ryan's report he recommends on page 46 that "Techniques for court-initiated enforcement should be explored and existing programs carefully monitored. Assuming the initial success of such programs proved that they are as good as they appeared to be, court-initiated enforcement should replace enforcement by the defendant's spouse and children."

We haven't moved very far at all in that direction. The act clearly permits other persons or agencies referenced in section 18(3) to act on behalf of persons for whom a maintenance order is outstanding. Yet the Minister of Community and Social Services has chosen to take a very narrow view of his responsibility for ensuring enforcement of maintenance orders for welfare recipients and provincial family benefits recipients. He has a set of rather limited situations in which he is prepared to assume the responsibility for the enforcement. In most situations he leaves it up to the individual to try to plough his way through a court system which is simply not responsive.

The parliamentary assistant shakes his head in disgust, but I believe that is an accurate description of the current state of affairs. We had a lengthy discussion during the debate on the estimates of the Ministry of Community and Social Services in October of this year. We have asked for some data from the ministry with respect to the total number of maintenance orders outstanding on behalf of social assistance recipients in order that he can compare the total number with the number on which the ministry is acting as the enforcement agent. We haven't obtained this data yet.

The indication remains that the ministry allows most people to try to scramble as best they can through a court system and through officers of the court, which are unsympathetic and unresponsive to the issue of maintenance enforcement. That is why we have arrears of $36 million outstanding in 1979. That is the beginning and the end of the problem.

[5:45]

Until the government is prepared to take the onus of enforcement off the individual and place it where it belongs, either with the court or some appropriate agency of government, in the case of a social assistance recipient the Ministry of Community and Social Services, the problem will remain unsolved.

Mr. Speaker: The honourable member's time has expired.

Mr. MacBeth: If nobody else wishes to take the few remaining minutes on this bill, I would like to take those minutes myself and speak to this matter of private members' business.

First of all, I want to go on record with the other members who have spoken to this bill and say it is a good bill and one I am most happy to support. I am particularly pleased with the nature of its subject matter because I feel this is the proper kind of matter for a private member's bill.

As one who occasionally occupies the Speaker's chair, I am hesitant to get involved with controversial matters. As it turns out, this does not appear, at least at present, to be a controversial bill.

We try to deal too often with controversial bills in private members' hour. It's not that the House does not have a right to express its opinion on these things, it does. It is good to have discussion on them. But I believe they are best handled by way of resolution rather than trying to embarrass the government into changing government policy or dealing with major financial responsibilities.

This bill does not deal with financial responsibilities; nor does it try to change government policy in any way. I commend this bill to the members of the House, not just for its content, which of course I support, but also because of its nature. This is the kind of private members' public business we should have more often.

To get back to my main complaint, when private members' bills are introduced dealing with major matters and where we are trying to set government policy, members have only a limited time to discuss the issues. If one is getting into a private member's bill that deals with a major policy and we are limited to two or three members on each side of the House speaking for 10 minutes on that bill, it is unfair to the other members of the House who may wish to go on record as to why they are in favour or are against the bill and why they are voting the way they are.

My major objection to votes on private members' bills that deal with major policies is simply that it does not give adequate time for discussion by all members of the House.

Mr. Breithaupt: Mr. Speaker, I appreciate very much the remarks of the six other members who have spoken this afternoon on Bill 159.

I believe that the support on all sides of the House will allow us to proceed to help

some children who may otherwise have financial difficulties thrust upon them through no fault of their own.

This is an amendment which I hope will be helpful. I hope the time will be available for it to pass through the committee stage and be attended to within the next several weeks. We will be able to give a very nice Christmas present to a number of deserving people in this province.

WINDSOR-QUEBEC RAIL SERVICE

Mr. Speaker: Resolution 37 concurred in.

FAMILY LAW REFORM AMENDMENT ACT

Mr. Speaker: Mr. Breithaupt has moved second reading of Bill 159.

Motion agreed to.

Ordered for committee of the whole House.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, pursuant to standing order 13, I would like to indicate to the House the business for tomorrow and next week.

Tomorrow we will continue in the House in committee of supply and continue the estimates of the Ministry of Revenue.

On Monday, November 26, in the afternoon, the committee of supply will finish the estimates of the Ministry of Revenue, if some of these estimates still remain after tomorrow's meeting, and then start the estimates of the Ministry of Treasury and Economics. The House will meet on Monday evening and consider Bill 122 in committee stage, followed by Bills 146, 147 and 172, second reading and committee stage as required.

On Tuesday, November 27, we will consider legislation in the afternoon and the evening: Bills 164 and 165, second reading and committee stage as required, followed by Bill 156, second reading and committee stage, Bill 160 committee stage, Bills 148, 149 and 150 second reading and committee stage as required.

Wednesday, November 28, the justice, general government and resources development committees may meet in the morning.

On Thursday, November 29, in the afternoon, we will again do private members' public business, ballot items nine and 10. In the evening, we will consider the first and second reports of the standing statutory instruments committee. If any time remains we will move into budget debate.

On Friday, November 30, the committee of supply will consider the estimates of the Ministry of Treasury and Economics.

The House recessed at 5:45 p.m.

APPENDIX

(See page 4717)

ANSWERS TO QUESTIONS ON NOTICE PAPER

ENVIRONMENTAL LEGISLATION

336. Mr. Isaacs: Will the minister provide copies of all proposed amendments to the Environmental Protection Act and to the Environmental Assessment Act which are intended to reduce duplication of hearings and for which the minister, according to his statement to the standing committee on resources development on October 24, 1979 has received cabinet approval? (Tabled November 1, 1979.)

Hon. Mr. Parrott: Cabinet has agreed in principle to amendments to the relevant legislation for the purpose of eliminating duplicative hearings to the extent that is appropriate. In addition to possible amendments to the legislation for which I am responsible, important amendments will be required to legislation for which the ministries of Housing, Attorney General and Intergovernmental Affairs are responsible. These proposed amendments will be made available to the members of Legislature on their introduction for first reading.

337. Mr. Isaacs: Will the minister provide copies of all proposed amendments to the Environmental Protection Act and to the Environmental Assessment Act which are intended to permit parties other than the applicant to appeal orders of the director of environmental approvals and decisions or recommendations of the Environmental Assessment Board and which the minister, according to his statement in the Legislature during the afternoon of October 23, 1979 has coming forth in the not-too-distant future? (Tabled November 1, 1979.)

Hon. Mr. Parrott: Consideration is being given to amendments to the Environmental Protection Act and the Pesticides Act for the purpose of making appeal procedures uniform under these acts. These amendments will involve important changes to the Environmental Protection Act which have not been prepared at the present time. I also agreed, in the statement to the House referred to, that when these amendments are being prepared consideration will be given to the desirability of allowing the decisions under these acts also to be appealed or otherwise questioned by persons who are not technically parties to the appeal but who may be affected.

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Ontario

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Third Session, 31st Parliament
Thursday, November 22, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

House in committee of the whole.

SELECT COMMITTEE ON THE OMBUDSMAN

Resuming the adjourned debate on the motion for adoption of the recommendations contained in the seventh report of the select committee on the Ombudsman.

Mr. Chairman: There are a great number of recommendations in this report. I have gone through it and I see there are 17 recommendations. I would hope the committee would be agreeable to discuss those in order. If it is agreeable with the committee I will call each recommendation from 1 to 17. I call recommendation 1, which is on page 23.

Recommendation 1 agreed to.

Mr. Chairman: Recommendation 2, on page 29.

Mr. G. I. Miller: Mr. Chairman, may I ask a question? Where are you getting these recommendations from? Are they from the seventh report of the select committee?

Mr. Chairman: That's right, the seventh report. The second recommendation is on page 29. I could read it for the committee. Some of them are fairly lengthy.

Hon. Mr. Timbrell: Mr. Chairman, on a point of order, since there is some confusion as to where in the report you are starting, I wonder if we might start back on page—

Mr. Renwick: On page 29.

Hon. Mr. Timbrell: I think there was some confusion as to whether we were starting later in the report and some members were a little confused.

Mr. M. N. Davison: We are on the second recommendation.

Hon. Mr. Gregory: Could we start back? We were confused by the numbers. We were going by the back of the book and there seems to be a second summary of these items. Page 23, section B, item 1 is the particular item on which we would like to speak.

Mr. Chairman: That is the item I called for originally. The same recommendation is also on page 23 and it has been carried.

Hon. Mr. Gregory: Mr. Chairman, with respect, you went rather quickly and we have been waiting to speak on that particular item. In all fairness, I think we should be able to speak on it.

Mr. Wildman: It was carried.

Mr. Chairman: I called the order. It would be up to the whole committee whether they would want to revert to recommendation 1.

Mr. M. N. Davison: On a point of order, Mr. Chairman, speaking to the point raised by the member for Mississauga East: you very carefully and very slowly called the first item of business before the committee this evening. There was plenty of time for any member wishing to speak on it, to speak. No member chose to speak; quite properly you called the vote and the recommendation of the committee was carried. We should move on to the second recommendation of the select committee.

Hon. Mr. Gregory: Speaking to that point of order, I recognize what the honourable member says is quite true. I admitted to him earlier that there was some confusion on our part as to which item was actually being talked about. I am asking for the forbearance of the honourable members to give this side of the House some consideration in dealing with these things. Their co-operation is really what I am requesting.

If it is the will of that particular party not to co-operate with us on it, that is up to them.

Mr. Martel: Graciously, we were about to accede to the member's request—

Mr. Renwick: It is just exactly that type of remark that prevents co-operation in this House, and you know it.

Mr. Chairman: Order.

Mr. Martel: —but that sort of conclusion leads us to suggest that we should not. If that is the attitude the member wants to take then we can accommodate him quite easily.

Hon. Mr. Gregory: Mr. Chairman, if I may, I asked for the member's consideration of this particular item. At a House leaders' meeting at noon today it was indicated to the House leader of the New Democratic Party—as a matter of fact he asked the ques-

tion—that we would be questioning this particular point. As I'm saying I readily admit, and I don't too often admit it, I was totally confused when we first started dealing with this item. I ask for the consideration of the New Democratic Party.

Mr. Renwick: You didn't give us a chance to reply before you used the usual tactic. You immediately said, "If that group wants to avoid co-operation, then fine."

Mr. Martel: You were being antagonistic.

Mr. Chairman: Order.

Hon. Mr. Gregory: Mr. Chairman, do I have the floor? I don't wish to argue with the honourable member and I don't wish to be antagonistic. I am merely asking for the forbearance of that party to allow us to consider this particular point.

Mr. Chairman: The request has been made to reconsider recommendation 1. I would have to say if there is unanimous consent of the committee that matter can be reopened; it was carried. Do I get unanimous consent?

Agreed to.

On recommendation 1:

Hon. Mr. Gregory: Thank you, Mr. Chairman; and I thank the honourable gentlemen for their consideration.

We have some concerns with this particular point. It really is one of being able to satisfy what this provision asks for. We certainly don't have a total objection to this committee's being allowed to sit while the House sits. We do feel it should be handled, by a vote of this Legislature in the same fashion we are handling sittings of the Hydro committee.

I'm quite sure the members will agree, if they speak to the chairman of the Hydro committee, there hasn't really been that much difficulty in arranging meetings for the Hydro committee. Because of the minority situation and shortage of people, in all parties really, we on this side of the House would prefer to deal with this item on the same basis as we deal with sittings of the Hydro committee while the House is sitting.

We just didn't want to leave it open-ended where it could arbitrarily sit at any time. This can cause some difficulties. We're certainly not of the opinion the Ombudsman committee should not sit at all during the session. Because committees tend to schedule sittings of all types, we do feel the House should have some control over when a particular committee sits. That was really our request.

Mr. Martel: Even if that motion were accepted, with greatest respect, I don't think it would really alter anything because a committee can only sit, based on the standing rules at the present time, when it's scheduled. For those extra sittings which occur, such as Hydro affairs, committees have to ask for permission to sit because it's only then, by resolution of the House, they can get authority to sit.

The Hydro committee at the present, as my friend knows, can only sit when we choose to bring that resolution forward; they might plead they want to, but if there's so much business going on, as occurs on Wednesdays when there are three major committees sitting, then the opportunity to say, "No, it's impossible," should, and does in fact, occur.

We have on occasion, as my friend knows—it happened just a week ago—refused the Hydro committee the authority to sit as on last Thursday afternoon. That still remains, whether this were to be carried or not.

Hon. Mr. Gregory: No.

Mr. Martel: Yes, very much so. It says: "The committee recommends that its order of reference be amended to include a provision whereby it is permitted to sit concurrently with the Legislature to consider from time to time interim reports tabled by the Ombudsman in the Legislature."

That doesn't say, nor is it anywhere in the rules, that it's going to be scheduled for any Wednesday, as the standing committees now are. All it recommends is it have the authority to sit concurrently, it doesn't say it has the authority to come to us and say, "We're sitting next Wednesday." Only by a resolution of this House would it get permission, by agreement from the three parties on a resolution, it would have to sit by resolution. I don't see where this gives them permission to say, "Despite the order of business, we're going to sit." It doesn't give them permission to do that at all, unless I misinterpret badly the recommendation that is before us.

I would concur with my friend. I don't think a committee which isn't scheduled to sit can come along and simply say, "Here we are, accept us whether you like it or not." There are occasions when it is impossible to do that because of the amount of business being considered by the various other committees. We try to use good sense. For example, we know we will move a number of motions to allow a third committee to sit next Wednesday afternoon as there are only two scheduled to sit at that time.

Only committees scheduled to sit can take it upon themselves to sit on a given occasion, as long as it conforms to the schedule we have adopted in this Legislature. If they are not scheduled to sit, they can't come and say, "Here we are, we're going to sit." They don't have that authority.

I would think my friend's fears are groundless. In the final analysis, they are going to have to get a motion through the House in order to get permission. That can only come if the various parties agree to allow the motion to be brought forward by the government House leader. We all know the difficulties in this regard. As my friend knows, we have objected on occasion to allowing committees to sit simply because there was too much going on. I wouldn't think this would alter that one jot.

Maybe my friend has reasons to think otherwise and I am prepared to listen to those reasons, but I don't see it happening.

Hon. Mr. Gregory: I can only make my judgement and state my opinion in accordance with what I read. My honourable friend is entitled to his opinion when he says my fears are groundless. The relevant section reads, ". . . its order of reference be amended to include a provision whereby it is permitted to sit concurrently with the Legislature . . ." Period, that's it.

That simply means what it says, in my opinion, and I stand to be corrected; it says the committee can sit concurrently with the Legislature. That means the committee and the chairman of that committee have the right to call a meeting of that committee at any time the Legislature is sitting. My friend is shaking his head and saying I'm wrong. I would ask him to explain to me, then, if what I say is not true and the chairman of that committee called a meeting and said, "We're going to sit on Tuesday afternoon," how can we prevent that? Can he please explain it to me?

Mr. Martel: Let me draw the member's attention to those six words, "whereby it is permitted to sit." This House will determine when it is permitted to sit. It is not a regularly scheduled sitting day, as my friend knows. He and I worked to draft the schedule of when the various committees are to sit. He knows no other committee is allowed simply to jump in and say, "We're sitting then." Only those scheduled committees can do so.

These words are very clear. It says, "whereby it is permitted to sit concurrently." It has to get permission from this Legislature to sit.

Hon. Mr. Gregory: It doesn't say that.

Mr. Martel: What they are saying is they want to sit concurrently, provided they can get permission to sit.

Hon. Mr. Gregory: It doesn't say that.

Mr. Martel: Of course it does. It says, "whereby it is permitted to sit concurrently"—

Hon. Mr. Gregory: It says "to include a provision whereby it is permitted"—

Mr. Chairman: The member for Sudbury East has the floor.

[8:15]

Mr. Martel: Because it is not regularly scheduled it can only get permission to sit concurrently if we, as a Legislature, give it permission. If it is not regularly scheduled, there is no way they can interfere with the standing schedule we devised at the beginning of the session unless we give them that authority.

They can only get that authority when we bring forward a motion whereby the House accepts that it's going to sit.

I don't see where they get any authority to infringe on the schedule as it is drafted and adopted by the House; that's the schedule we're working by. It doesn't allow the select committee on Ontario Hydro affairs to sit whenever it wants to. In fact, as my friend knows, even the other committees which are scheduled in certain time slots, if they want an additional time slot have to come back to the Legislature to get that time slot. The standing committee on social development, for example, can't decide it's going to sit on Thursday night, but if it needs Thursday night we could give it.

Perhaps my friend recalls the long debate this past spring on rent control. Whenever the standing general government committee which was studying rent control, wanted additional time to sit beyond that which was scheduled, it had to come back and get the agreement of this House to sit, even though it was scheduled to sit on Wednesdays. When it wanted to sit on Thursdays, that committee had to come back to the Legislature to get permission to sit on Thursdays. No chairman can simply take it upon himself to infringe on the schedule which has been adopted by this House.

I think my friend's fears are ungrounded, not only because of the wording of this, not only because of the schedule, but because of the common sense that prevails around here in scheduling. We know we can only schedule so many things in a given day and we have frequently said no. Conversely, we have frequently said yes when it was requested and could be worked in conveniently. I think that's all that is asked. I don't think that gives any committee—it certainly doesn't give this committee—the right to decide, "Yoo-hoo, we're here and we want to sit, and we're going to sit." They're going to need a motion to sit, because they're not anywhere in the

schedule that was adopted by this House at the beginning of the session.

Mrs. Campbell: Mr. Chairman, we seem to have a misunderstanding. What has happened with the committee on the Ombudsman is that we have reports brought to us, sometimes they are very timely, and we feel there are occasions when we ought to have the right to seek the permission of the House to sit while the House is in session. Thus far, it has been taken for granted that we sit only in the off-period. This, on occasion, leads to our deliberations being very much in a vacuum because of the delay.

It is a fact there are many committees that have the right to sit, and indeed the obligation to sit, while the House is in session. But it does not mean—and I think the member for Mississauga East, above all others, ought to know this—that the chairman may call a meeting of that committee in an ad hoc fashion to conduct business. We all know that arrangements have to be made.

What this is seeking is simply the right to not always be blocked from sitting on the basis that we are relegated to sitting only when the House is not in session. To me it would be an absurdity—and I would hope the member for Mississauga East recognizes we are all responsible people here—to suggest that in seeking the approval of this recommendation the committee on the Ombudsman wanted to hare off in all directions and sit wherever and whenever it chose. That certainly was not our position.

We just felt there ought to be some provision where we could get into the line of the scheduling so that we might be given consideration with all the other committees entitled to sit when the House was in session and be scheduled in accordance with your normal scheduling practices.

I really believe there is a grave misunderstanding on the part of the government members as to what it is we are seeking. Surely we should have the right to stand in line to be scheduled if there are times available for us to sit when the House is in session. I would have thought it would have a great appeal for the government members, in this time of restraint and constraint, that we would be able to sit when we are not permitted to charge additional fees for sitting on this committee.

Truly, you have the scheduling in the hands of the House leaders; we would not have any part in that. I would suggest it couldn't be a disruptive thing to allow us to stand in line.

Mr. M. N. Davison: As a former chairman of that excellent and important committee, I would like to add another element to the discussion. I think what is really at issue is not whether the committee would be sitting on Monday nights when nobody else is around, or whether it would be sitting on Tuesday mornings or that kind of question, what is important is whether or not the committee will be able to sit when the House is in session.

That's how I read "concurrently." "Concurrently" in the context of a select committee means when the House is in session, not when there happen to be members sitting about in this chamber debating some point. I think it's important the government benches understand the context of the word "concurrently." Without the power being asked by the committee they are generally not allowed, except in very odd and peculiar circumstances, to sit when the House is in session. I think it important they be given that right.

Anybody who has served on the committee of committee chairmen, as I did at that time, would remember there was a very well worked-out arrangement as to when committees would be sitting. In the rules of the House there are time slots for various committees. We can all work that out.

There is another element to this that is fairly important and I would like the government to pay attention to it. There are two committees in this assembly which I view, hopefully traditionally, as opposition committees, committees that are chaired by opposition members regardless of the circumstances. One is the public accounts committee and the other is the select committee on the Ombudsman. Both deal with servants of the Legislature rather than issues or other matters that revolve more around the government. So it is important that we understand it is a committee dealing with the problems and issues that concern the Legislature collectively.

I think it's a very reasonable recommendation and I don't know why the government is so up tight about it. These members of the committee aren't going to want to sit all the time. There is a reason why they have asked for this and I think I can put it to the government fairly simply and fairly clearly. It is this: Up until this time the Ombudsman in Ontario has reported to the Legislative Assembly through the Speaker twice a year. Even though the Ombudsman's Act only requires an annual report, the Ombudsman was reporting twice a year, which meant there

was never more than a six-month time lag involved in a particular case because of a reporting period.

The committee then could deal with issues and cases that came out of that report during the winter break or during the summer break and it worked out very nicely. What happened, though, is that the Ombudsman, with some good reason, has moved to a new reporting system. The Ombudsman will now be reporting on an annual basis. There are benefits in that there is no need for the select committee to review the statistical analysis of the office and a lot of other things that go on at the office on a basis of twice a year, once a year will serve. But the Ombudsman understands that there is a certain urgency involved in some of his recommendations. I will talk about that in a minute.

As well as moving to an annual report, what the Ombudsman is doing is telling the Legislature that he will, from time to time, present the assembly with interim reports, reports that need special and immediate attention.

I can't read into that what the Ombudsman will do. My guess would be that some of those reports may well be recommendations denied, that the Ombudsman will come to the Legislative Assembly with. I think in those cases it is important that the assembly deal with them as expeditiously as possible. The way you do that is to have a committee like the select committee, or perhaps eventually we will make this a standing committee of the assembly which can sit when the House is in session on that kind of basis to deal with interim reports.

I ask you, please, to look at the recommendation in terms of qualifications. There is a very important qualification in that recommendation, and it is contained in the words "interim reports." The committee will not be asking, or wanting, to sit during the session to study an annual report of the Ombudsman but rather a special or interim report of the Ombudsman, which I suspect will be dealing with a case in which there is a recommendation denied.

If that sounds a bit dry, consider what it means in more human terms. The majority of recommendations denied when I was on the committee involved the Workmen's Compensation Board, and I suspect still do. I would ask members to think about their constituents who might be in the position that we are talking about. A constituent has had an industrial accident and, perhaps with the assistance of his or her MPP, has gone through the entire appeal procedure at the Workmen's Compensation Board. In spite of the fact the constituent was right, the MPP has referred that case, after the rejection by the board, to the Ombudsman. We go through another lengthy process there, and we then have an Ombudsman report that says, "Yes, the constituent is right, the constituent deserves and merits compensation," and the board rejects it. Then it is going to go to the Legislative Assembly and eventually to the select committee.

If we don't pass this, what you are in fact saying is, "Well, it is okay for that constituent to wait six months or a year, another six months or another year to have his case heard, to have the case brought to the floor of the Legislative Assembly." That's wrong; and think about it in terms of one of your constituents.

I feel very strongly about these matters because I represent an industrial riding and I have a lot of compensation cases. I know that the Workmen's Compensation Board is imperfect and that they make some mistakes. They make them with my constituents. You are asking members to go back to their ridings, to talk to a worker whose livelihood has been lost because of an accident, who has been badly treated by an institution, by the Workmen's Compensation Board, and to say, "It is okay for you to wait another six months, because we have got this pleasant rule in the assembly that doesn't permit this special committee, because it is a select committee, to sit and deal with your problem."

I think the government should understand that because the Ombudsman moved to this new procedure it is important the committee have the flexibility to deal with those cases. I wouldn't want to vote against this recommendation, then go back and explain to one of my constituents why they are going to have to wait six months for justice. I don't think members in the government want to do that either.

I think if they look at it in the context of the individual—and that is what we are talking about when we are talking about Ombudsman cases and Ombudsman recommendations, individual constituents—when you look at it in that light, I think the members of the government can agree it would be a good idea to provide that kind of flexibility to this committee so that citizens in the province could be better served. I hope the government will reconsider its doubts about this.

It is going to be up to the assembly as to when committees can sit and the timing. That committee is not going to want to be

sitting all the time, they are only going to be dealing with these special cases. I think it is a good recommendation; I think the government should join with the Liberal Party and the New Democratic Party in supporting it.

[8:30]

Hon. Mr. Gregory: I would like to thank the members of the opposition parties for enlightening me in explaining their particular viewpoints regarding this clause. I am still having some difficulty with it, in the way it is worded and the explanation of the member for Hamilton Centre that it still requires the permission of the Legislature in order to sit. Perhaps the members of the opposition would consider amending that recommendation so that it reads somewhat in this fashion: "Recommends that its order of reference be amended to include a provision whereby, with the agreement of the Legislature, it is permitted to sit concurrently with the Legislature," et cetera.

Mr. Martel: Permission of the Legislature?

Hon. Mr. Gregory: I am merely asking if you could consider amending that particular section that way.

Mr. M. N. Davison: If you are asking for a response I would be glad to give you one.

Hon. Mr. Gregory: All right.

Mr. M. N. Davison: I tried to make this point earlier. The Ombudsman select committee is a special committee because we are dealing with a servant of the Legislature, not of the government. It is important that the committee operate in that framework of a group of legislators working together. There is no question of government members, opposition members, there is none of the creative tension that normally goes on in this kind of forum.

What you are asking is that because of the strange ways in which this House works the government House leader is going to have to get up and move a motion. I think it is easier just to leave it as it is worded by the committee.

Obviously the committee, which is composed of members of all three parties, had considered it very carefully over the past few months. I think they have a good recommendation, I think the wording is perfectly workable and I think we should pass it as it is.

Mr. Nixon: I have a feeling that the honourable minister, the government whip, is more concerned about this than is necessary. I think the members of all parties have made it clear that their understanding of this motion is that it would still be at the motion of the Legislature that the meetings of the committee would be scheduled, just as any other committee.

My own feeling is I would hope the Legislature would move to change the status of the Ombudsman's select committee and make it a standing committee some time, the sooner the better as far as I am concerned.

I agree with the honourable member who spoke a few moments ago, that it has the same importance in the House, and particularly to the opposition, as the public accounts committee; that while they are responsible to the Legislature rather than the government, still the opposition plays a special role in public accounts and to some extent does as well in the Ombudsman's committee.

I believe the understanding has been expressed, and certainly it suits me, is that what the committee is asking for is the right to sit during the sessions of the Legislature and not be relegated only to the periods between sessions. That would mean they would be slotted in our committee activities the same way other committees are.

For example, as a possibility, the Ombudsman's committee might expect to have permission from the House to sit regularly every Thursday morning. The honourable minister, the whip of the Tory party might, from his allocation of members, find that inconvenient; and if that is so, certainly some other suitable time could surely be found.

My own experience is that while there are four committees meeting on Thursday morning, the committees are small; the work they are doing may at times be under great pressure and certainly be the centre of much public attention, still on an ordinary Thursday-to-Thursday order of business not many members are involved, the work tends to be routine; and as a matter of fact many of the members of the House—maybe I am wrong in this—do not consider Thursday morning a time that commands a good deal of their committee involvement. For a few, of course, the opposite is true; but my own feeling is that another committee could be scheduled there regularly quite readily. The Ombudsman committee would certainly be the one to be so scheduled.

This motion simply wants the Ombudsman committee to be treated like a standing committee and for that reason I hope there is going to be agreement here. As far as I am concerned, since it is a general understanding that the scheduling of all committees is by order of the House, and while it doesn't

depend on agreement of the House leaders the House leaders' committee is more or less a facilitation through which the various caucuses can express their views—the House will eventually decide the order of business —I would have no objection to the inclusion of the amendment that the honourable minister has suggested.

Mr. Isaacs: Mr. Chairman, as a new member of the committee and one who probably doesn't understand the full import of committee activities on things like North Pickering, I must say that I was impressed on going into the committee that the Ombudsman presented to us some suggestions for cutting down the bureaucracy, for cutting down the amount of paperwork, and for facilitating the flow of business.

We were to have moved from two reports a year to one, and we were to deal with specific recommendations denied whenever the Ombudsman felt that it was appropriate to bring them to the attention of this House. That, as has been explained so well by a couple of my colleagues, is the reason for this amendment. It's a simple smoothing of the bureaucratic process by which recommendations from the Ombudsman are dealt with.

One does suggest, Mr. Chairman, that the suggestion made by the member for Mississauga East that the consent of the House has to be given every time this committee wishes to sit, is almost a negative to the recommendation before us. The recommendation is that the committee be empowered to sit and the member is suggesting that every time it wishes to sit it has to come here to seek permission. If it has to do that, we don't need this recommendation because it can do that anyway.

I am sure we all consider the committee chairman and the members of the committee will act in a responsible manner. I don't understand the fears of the member for Mississauga East. I don't understand what the committee might attempt to do that would frustrate government business. It seems to me that the committee can only sit when there is an interim report from the Ombudsman. The committee cannot influence the Ombudsman to bring forward an interim report because it wishes to disrupt the business of the House.

We are left with a procedure that smooths the flow of business, that leaves those few recommendations-denied cases that have to be brought before this House into a smoother flow of business, enables us to deal with them, enables us to avoid the situation where members of the public who feel they have been aggrieved are told they will have to wait six or nine months or maybe even more, until the committee gets around to dealing with their particular cases.

It is a smoothing of the work flow and I do not understand why the government is standing in its way. I just don't see what the issue is.

Mrs. Campbell: Mr. Chairman, on a point of order: I note the suggestion has been made that we amend the recommendation and I would like to be absolutely certain as to the legality of that procedure.

It is true we are going through this report in a clause-by-clause way because the committee has felt for some time that we did not give sufficient attention to the recommendations when they were passed as a general report. But this is a report of a committee; this is a recommendation of a committee none the less, and I would like to have a ruling as to whether we can, in fact, amend the recommendation of the committee as it comes to this House. It would seem to me that we either approve the recommendation or deny it.

Mr. Chairman: I would say to the member for St. George on her point of order, this report is being handled in the same manner as a bill before the Legislature. This House and, particularly in this case, in committee of the whole House, has the right to do as it sees fit. If any member of the committee wishes to make an amendment, I would feel it is the responsibility of the chair to accept the amendment and then the committee can deal with that as they see fit.

Hon. Mr. Gregory: Mr. Chairman, may I then move that amendment? I haven't completed writing it. Perhaps I could read it to you and then deliver it to you.

I move that item 1, section B be amended by adding the words "with the agreement of the Legislature" between "whereby" and "it," so it reads:

". . . its order of reference be amended to include a provision whereby, with the agreement of the Legislature, it is permitted to sit concurrently with the Legislature to consider from time to time interim reports tabled by the Ombudsman in the Legislature."

Mr. Chairman: I hope you will send that in writing to the table.

Hon. Mr. Gregory: I will complete it right now.

Mr. Renwick: With some reluctance and with the hope that I won't confuse the situation any further I can well understand the concern the chief whip of the government

party is expressing about this matter, because of the obvious principle that a select committee can sit both when the House is in session and when the House is not in session. That distinguishes it from a standing committee, even though in our procedure on most occasions the select committee sits only when the House is not in session, but it is of the nature of a select committee that it is not subject to the same impediment as a standing committee.

Therefore, it seems to me the chief government whip's concern is not an unreasonable concern, that if that is so, why do we have to have this particular clarification and that it could sit on the call of the chairman, subject of course to the usual rules of the House with respect to the ordering of business.

I think it is helpful, however, in view of the actual specific words of this recommendation, that we take it as a step to clarify the procedure as requested by the select committee on the Ombudsman. Therefore I am quite prepared to accept an appropriate amendment. I had hoped to get to my feet a moment or two before the chief government whip moved his amendment, because I don't want to cavil about it and I think we now want to reach an agreement about what the amendment should say.

My concern about the actual language the government whip has used is that someone could construe it to mean that it required the consent of all the members of the House. When you say it requires the agreement of the House, someone could say in that situation you need the consent of every member. I think what the chief whip of the government is concerned about is that the proposed change in the order of reference in the committee be clearly subject to the usual ordering of business of the House. I think it would be much more appropriate if instead of the rather abrupt wording of the government whip it said in substance that its order of reference be amended to include a provision whereby, subject to the usual procedures for the ordering of the business of the Legislature, "it is permitted to sit concurrently with the Legislature to consider from time to time . . ."

I take it that is exactly what you want to be able to accomplish, that the orderly procedures of the House mean the House leaders meet, they work out whatever the ordering of the business is, and if the chairman of the select committee on the Ombudsman comes and says, "We have an interim report of the Ombudsman, and we want to consider it," the House leaders will take it into consideration and in due course the government House leader will stand and move that the select committee on the Ombudsman be authorized to sit concurrently with the Legislature. That is what I understand the problem is.

I can understand the concern of the government whip. I would hope some language such as I have suggested, rather than the actual language proposed by the government whip, would perhaps more adequately meet the situation.

Mr. Chairman: Hon. Mr. Gregory has moved that item 1 of section B be amended by adding the words "with the agreement of the Legislature" after the word "whereby" in the second line.

[8:45]

Mr. M. N. Davison: Perhaps I can try once more to clarify the difference between standing and select committees, and how and why this proposal is here and why the government whip's amendment to it is not appropriate.

The essential difference between a standing and a select committee lies in when those committees can sit. A standing committee can sit only when the assembly is in session; a select committee, on the other hand, can sit only when the assembly is not in session. In both cases there's a procedure determined as to the slotting of committees.

So there are two elements involved; the first is when a committee can sit and the second is the time slot in that period. There are the processes whereby one goes through the committee of select committee chairmen at the beginning of each of those periods when the House isn't in session and through the House leaders of each of the parties when the House is in session.

With the resolution of the assembly, any select committee can sit when the House is in session but it requires a resolution of the assembly. Under the procedures suggested by the recommendation of the committee it won't require a resolution of the assembly but will involve only the normal procedures for slotting. So when we give permission to sit concurrently, what it means is we give permission to sit during the session.

As to the slotting, which is the real concern of the government whip, we will have to go through the normal procedures anyway. I just don't see the necessity of an amendment which says: ". . . with the agreement of the Legislative Assembly."

Mr. Nixon: I was listening to the comments of the member for Riverdale. For him to suggest the wording of the amendment as it now is suggests somehow that every member of the Legislature would have to approve,

doesn't make sense to my untrained mind. I don't want to get into an argument with anybody; I just feel it really would be a waste of our time, since we want to deal with all the recommendations in this report tonight, if we couldn't just get on with the thing.

Frankly, I feel the amendment, abrupt though it may be, simply says the committee will sit at its own behest but with the approval of the Legislature. We know very well that whether it's in the rules or not the Legislature is really the final authority on which committee sits and when it sits.

I personally don't want any specific reference that even implies the role of the House leaders in this—that we're supposed to attempt to facilitate—but essentially whatever the House leaders may decide, with the advice they get from their caucuses—

Mr. Renwick: Don't try to cow me.

Mr. Nixon: Oh, shoot, my intention is not to cow the honourable member. I thought when the rather simple and abrupt amendment came forward, we could simply pass the thing. The only reason I felt I wanted to make a comment was that I thought the member for Riverdale—and since he says I cowed him, I have a great deal more self-respect than I had before because I certainly never cowed him before—all I'm suggesting is that the amendment, abrupt perhaps and simple though it may be, has a very clear meaning and it simply reinforces what we all understand. Certainly, I hope we can just get on with it and approve it.

Mr. M. N. Davison: Just one final question, Mr. Chairman. How is the agreement of the Legislative Assembly achieved? Is it achieved by way of resolution? If so, that's exactly the situation the committee is in now and that's exactly the situation it would like to alter. If that's the case, if that is how agreement is achieved by way of resolution—then I'm not supporting the amendment because it frustrates the purpose of the resolution.

Mr. Chairman: Any further comments or questions on the amendment? Is the committee ready for the amendment?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Recommendation 1, as amended, agreed to.

Recommendations 2 to 8, inclusive, agreed to.

On recommendation 9:

Hon. Mrs. Birch: On behalf of the Minister of Community and Social Services, we agree with this recommendation in principle. Accommodation has been made to carry out the intent of this particular recommendation.

Recommendation 9 agreed to.

Recommendation 10 agreed to.

On recommendation 11:

Hon. Mr. Timbrell: Mr. Chairman, at the time of the deliberations of the select committee, the concerns of the Ministry of Health with respect to the original recommendation of the Ombudsman and the revised recommendation of the committee were made known. It is written in such a way that it is a recommendation we will certainly keep in mind in those few, very difficult instances where a particular procedure is either not available in Ontario or not permitted in Ontario and not, therefore, listed in the schedule.

The procedure now is to consult the Ontario Medical Association as to what would be an appropriate fee if it were, first, a service that would be provided in the province and would be agreed on as a medically necessary service and, second, what its value would be.

Mr. Nixon: Are there many of those?

Hon. Mr. Timbrell: No, there are not. There are very few but, nevertheless, they are very difficult to appraise. They are very few and far between, particularly when you take into account that in the United States—and it's primarily the States we're talking about—people who would be going to clinics or facilities in the United States face a schedule of fees in some parts of that country which tends to be two, three or four times what the fees are here.

Mr. Nixon: They don't have our advantages.

Hon. Mr. Timbrell: That's right, they don't. But they soon will, by all accounts.

Mr. Nixon: They say this is the best in the world.

Hon. Mr. Timbrell: We will certainly bear this in mind.

Recommendation 11 agreed to.

On recommendation 12:

Mr. Chairman: Recommendation 12 is also found on page 102, schedule 9.

Hon. Mr. Elgie: I wish to indicate that the Workmen's Compensation Board has accepted the recommendation and will evaluate the gentleman for permanent disability assistance.

Mr. Nixon: Did you say "evaluate" or "grant"?

Hon. Mr. Elgie: He has been accepted. Prior to this time, he had not been accepted as someone eligible for evaluation. In other words, the board has accepted the recommendation.

Recommendation 12 agreed to.

On recommendations 13 to 17 inclusive:

Mr. Chairman: Recommendation 13 is found on page 106, schedule 9, part B, number 13.

Mr. Martel: Mr. Chairman, with your permission I would like to ramble a little on two or three of these because they all deal with the same thing basically, the psychiatric assessments involving compensation cases —whether it's recommendation 13, or the following one as well. They deal basically with the same sort of problems.

Mr. Chairman: Under those circumstances, I'm sure the committee will allow you to ramble.

Mr. Rotenberg: Since when did you get permission to ramble?

Mr. Martel: I always respect the chair, my friend.

I want to indicate to the minister some displeasure with respect to the manner in which the Workmen's Compensation Board deals with psychiatric assessments and the problems affecting workers who, first, have been injured physically and who subsequently develop some sort of psychiatric problem.

As a member who, in a five-month period this year, dealt with 290 claims I have come across a substantial number of men who have been injured, back injuries particularly. These men who work in the mines, as my friend knows, develop a lot of back problems. Frequently there is a delay in assessment, there is the length of time doctors allow to try—if I can use the word—conservative treatments, and then ultimately there is the decision to perform surgery. Finally, with the time that elapses before we start rehabilitation, it's been my experience that worker after worker who has developed that sort of back problem, with all of the delays that go with it, also develops psychiatric problems—in fact, many, many of them do.

I've encouraged the board over the years to try to deal with these men much more quickly. As I've said, even if they were just playing around with widgets to get their minds off the injury, it's my opinion we might not see the psychiatric problem developing as seriously as it does. When that problem develops we're really into it.

[9:00]

The Workmen's Compensation Board in their wisdom—or lack of wisdom—do a number of things. After the physical disablement has reached the point where it's not going to get any better, the board says the worker is capable of resuming some form of modified work in conjunction with the attending physician, frequently without the concurrence of the attending physician, and you have that psychiatric problem that develops.

When that psychiatric problem develops and at this stage the board determines it is going to give the worker a pension, occasionally it will give a supplement but usually it bases the pension solely on the physical disability. It might give him a 20 per cent disability because it's one vertebra or two vertebrae, but invariably it gives 20 or 25 per cent. That worker who is psychologically impaired is supposed to try to support a family on 25 per cent and go to work.

I have men in a number of cases I have dealt with. I think of one in particular who walked with two canes. The doctors say he is only 20 per cent disabled physically, but psychologically he is completely disabled, and then you try to relate it to the physical impairment.

I wish I could get the minister's attention. Maybe if I could get the minister's attention, it would help.

Mr. Bounsall: I'm translating for him, Elie.

Mr. Martel: He might need some help. Let me pick it up again.

When the worker is given a 20 per cent disability pension, when the worker is assessed a physical impairment of 20 per cent and he walks with two canes and he can't work, you then go up to the compensation board and say, "But psychiatrically he can't return to work; nobody is going to hire him." He himself is convinced he is totally disabled. He might well not need the two canes to walk with if he were functioning properly, mentally. We can't get through to the Workmen's Compensation Board that as far as earning and returning to work is concerned he is totally disabled. They say, "He is only 20 per cent disabled and we will give him 20 per cent for his psychological impairment."

Well, he has now got 40 per cent. I ask the minister, because I don't know, surely when a person reaches that stage of psychiatric disorder he is totally disabled. He can't perform any meaningful work. It might be fear that prevents him from returning.

I have a case now of a man who is fearful of returning to work. When I sit and chat

with him by the hour he keeps telling me he is prepared to try; then you suggest something to him and he says, "But I'm totally disabled." The board says, "He is only 20 per cent disabled but we'll give him a supplement," and so he is in the process of losing his home.

But isn't he totally disabled? If he did not have that problem before he was injured and it came along as a result of depression or something after that physical disability and he was capable of carrying on before that, surely there's a responsibility to treat him psychiatrically. It's very difficult to get the board to agree to it, although they will say yes, it's very difficult. They still always want to pay the 20 per cent; they'll give you a supplement, but the worker for all intents and purposes is totally disabled, although only 20 per cent physically maybe.

Somebody has to answer for me, if he could perform before he was injured, what it is that triggers him to become so psychiatrically disabled. What is it that triggers that? Is it the accident, the depression from the accident? He was normal before and if he is not after, then surely it led from that accident—as a result of that accident. It wasn't the accident that did it all, I am the first one to agree, but something disabled him psychiatrically that wasn't there prior to his injury.

I don't know how we get that across to the Workmen's Compensation Board because there are literally hundreds of men who are in that position as are the cases before us. I don't know how to deal with it, because if one talks to the Injured Workmen's Consultants, if one talks to the Union of Injured Workers, in my opinion—and I'm no doctor—most of those men are suffering from that sort of condition.

Sooner or later in this province we have to grapple with that problem because, you see, they then go on the welfare roll to survive. But they should not be the responsibility of the Minister of Community and Social Services (Mr. Norton), because it would appear to me as a layman—and if I am wrong, tell me—that all of their problems started from the day he or she got injured and progressed from there. Physically they got better to a point where there was a permanent disability, but at the same time or some months later the psychiatric problem developed.

I just think it is time that the minister said to the Workmen's Compensation Board, in his capacity as the one to whom they report, that they have to grapple with that problem seriously. Maybe they are doing some work on it; in my opinion they aren't. If one looks at the Ombudsman's report about a year ago, similar cases were there. If one looks at it now, similar cases are there. If one were to talk to the Union of Injured Workers or to colleagues in this House, my friend's colleague—his friend to his right has a full series of problems of the same nature. I suspect rather strongly that if we could sort out the clean breaks—the broken arm, the broken leg—from that type of injury, we would find that of the group made up of those workers whom we find in the Union of Injured Workers and so on, most of the four per cent of the cases where we have difficulty are in that category.

I well recall a constituent of mine a number of years ago. He was the highest-paid bonus miner at the Falconbridge Nickel Mine and after his back injury he became a virtual vegetable. His pension, I believe, was $100 a month.

A man doesn't go from being the highest-paid bonus worker at Falconbridge—because that is hard work underground—to trying to survive on $100. This man would fall on the floor and they would have to pick him up; he couldn't get up off the floor.

I can show the minister dozens of files. As I say, in the first five months of this year my office handled 290 compensation claims alone. Invariably I could tell those who had this type of problem when they walked into my office. You reach a point where you don't even have to ask them. You just listen to the rambling in the first three or four minutes after they sit down and you can almost say to them, "You have a low back problem," the answer would be yes.

It just repeats itself over and over. The cases keep showing up here, but we never grapple with the problem. What bothers me is we will resolve these few problems but we never deal with the large number that are out there—people who have had tremendous work histories, great earning capacities, good supporters of their families who ultimately end up on the welfare rolls and who are just totally destroyed as people.

This is the problem that is before us; this history is there. You look at it quickly, as I did over the dinner hour. It started in 1971 and continued to now. If you were to talk to that man I presume he would give you a litany of the doctors he has seen and who have shafted him in the process; it is just so repetitive and so obvious. We can never get it resolved.

I guess my frustration in dealing with the compensation cases I have is not so much

that you can't get decisions ultimately that are favourable if you have time to go to half a dozen doctors who have looked at him. The OHIP costs for those people have got to be astronomical. Once the board says, "You are no longer our responsibility," then they start making the rounds charging it to OHIP. It is just endless. The number of specialists you can write to on any one of these cases is stupendous. No matter how often we plead for this type of case, nothing ever changes.

Surely it is time we started to deal with these problems, if need be having psychiatrists deal with them, sooner than we are doing—before they have reached a point beyond hope.

Recently I received a letter from the psychiatrist on a case who said, "It is too late. There is nothing I can do for him any more." The man is only about 38. If we started to deal with those cases quicker, get to whether he is going to have to have surgery, get it done, get him back on his feet with rehab quicker, make sure he has an adequate income while he is being rehabilitated and do the things that would prevent that psychological problem. If it then developed we were not going to be able to help him, then we would have to assess whether the injury, followed by the psychiatric disorder, is making him totally incapacitated.

I am no doctor, but having dealt with many of these cases I happen to believe they become disabled psychiatrically stemming from the original injury. That has to be grappled with and grappling with it one case at a time is no good.

I would like to hear the minister's comments because as a doctor he has dealt with this field. He understands the problem.

We simply have to deal with it now. To put it off any longer would be irresponsible. All of us over here would support the minister if he said we were going to deal with this problem and get to the bottom of it once and for all. I think everyone would be absolutely delighted to hear that from the minister tonight.

Hon. Mr. Elgie: Mr. Chairman, the member and I have had the privilege on many occasions of discussing this and other problems related to injured workmen. I venture to say there aren't many areas about which we disagree. He touched on one. He alluded to it because I told him earlier, that recommendations 13, 14 and 15 have been accepted by the board. So I might say that with regard to this select committee's report, each and every recommendation has been accepted in toto. In the case of the benefit-of-doubt recommendation, it has been sent to committee for review, which is quite in keeping with the wishes of the committee and the Ombudsman.

The matter the honourable member has referred to is a matter which is not new to him, not new to this Legislature and not new to any physician in the province. As a neurosurgeon I suppose it would be unusual for me to attend any medical meeting and not have one of the presenters give a paper on the untreatable back or the ultimate minority of back patients that end up in the untreatable category. They have gone through all the rehabilitation, all of the surgery, all the psychiatric treatment that is available to modern medicine, yet there still remains this hard core of people who, for some unexplained reason, don't seem to respond to the treatment.

[9:15]

Perhaps we don't understand enough. One day we may understand more. We are better than we were 10 years ago and far many times better than we were in 1930, when we didn't even understand there was a disc that could pop out. Things change, and perhaps this is an area that will change.

I don't know what the answer is, but I like to think for every case the member and others see where this is the problem, the psychological overlay to an underlying organic problem is in the minority. Certainly, in my own experience in practice that's true. If one gets into the rehabilitation process at an early phase with the reassurance of an individual's future and his relationships with his fellow man in society in my experience rehabilitation is usually possible.

The member is quite right. The key to it is early rehabilitation and early encouragement of an individual that his life isn't through because he has had such an injury to his back. I don't know really whether the cases we are seeing are just that core that can't be helped or not. Each individual who has a back injury will have a reaction to it that is a function of what he was before the accident and a function of what happens to him after the accident. Both of those two components are always there. They form the basis of our individual reactions to our individual problems.

The member well knows, as he hobbled around this building four months ago and as he pitied me a month ago as I hobbled around with a back problem, we all try to handle it in our own way. There does remain this hard core, and I don't know what the answer is. I like to think the majority of them are being handled in a very adequate

way by the board and the few we are talking about now, if they are true cases, as the member suggests, have slipped through the system.

In any event, I would agree with him if there are people who are not being treated adequately by the board in terms of compensation, rehabilitation and vocational assistance, we should make every human endeavour possible to reassess on a regular and periodic basis the criteria which we use for psychological evaluation and compensation on the basis of a psychological aspect.

I will do everything in my power to make sure the board, if it is not already doing so, which I must find out first, does have this regular review of the criteria it uses so that sort of sensitivity which is so important to that particular type of problem is always present and always available for the board in its dealings with injured workers.

Mr. Martel: I am trying to defer it for a moment because there is still something that is disturbing me. Suppose a worker suffers a physical disability and, let us say, the board assesses him as 20 per cent disabled because, as my friend knows, the board goes for some time and waits until the worker reaches a level where it feels there will be no more improvement and then it assesses a pension rating.

Let's say they give him 20 per cent, but he becomes psychologically impaired. In other words to cite a case, the man is now using two canes but the doctors tell me he doesn't need them. The psychiatrist I wrote to said, "He's reached a point where we really can't do much for him." The board then gives 20 per cent more.

The question is how disabled is he? Is he 20 per cent physically disabled and only eligible for a 20 per cent supplement, adding another 20 per cent to his disability? Or is he, in fact, totally disabled from the accident—not totally physically disabled, but psychologically disabled as well? That's how the problem lies in trying to get recognition of that. Can we get recognition, let me put it that way, of the fact that he has become 100 per cent disabled of which maybe 80 per cent is psychological, but he simply can't work?

That's where my difference lies with the board, which comes along and gives him 20 per cent more. The question is, is he totally disabled? That's what we can never grapple with. I am anything but an expert, but when I see these people and when I talk to them and listen to them, I know there is no way of getting them back to work. The man gets another 20 per cent. But is he 100 per cent disabled medically when you combine the physical and the psychological impairment?

Or the silly 40 per cent figure that comes up. How do you determine the guy is 40 per cent disabled if psychologically he is not capable of working again? I am sure my friend has seen them. To what do we attribute that extra amount that makes him totally disabled? How do we arrive at a 40 per cent pension? I am not sure. I guess what I am saying is, is he 100 per cent disabled?

I don't know the answer. All I know is he is not going back to work and we see all kinds of people who end up on Canada pension. Thank goodness Canada pension is a little more receptive to the problem the man has in dealing with the board. Maybe the minister can tell me: can we blame the psychiatric problem on the physical problem and, if so, how do we determine he is only an additional 20 per cent disabled? Or is he 100 per cent disabled? Maybe the minister could tell me.

Mrs. Campbell: I would like to address my remarks to the minister in a somewhat different vein. As the minister knows, we at the Ombudsman committee have been wrestling with the whole doctrine of reasonable doubt. It seemed to me that following along the lines of the argument of the member for Sudbury East, we were getting to the point of a philosophical overview of many of these cases which up until now have fallen because the Workmen's Compensation Board was not really addressing itself to the question of reasonable doubt.

I have welcomed the minister's very sympathetic review of the recommendations of the Ombudsman and, in turn, of the committee. If the minister would only look at these cases, having in mind at least the doctrine of reasonable doubt, it might be another approach to dealing with the group rather than resolving, in a rather inefficient fashion, one case at a time.

I think what the member for Sudbury East is saying is, can we not get to the root of this basic problem? I have to tell you, Mr. Chairman, that while I don't handle anything like the number of cases he does, I do have cases which fall into this same category and I recognize there are problems. It isn't an easy thing because we do have to prove at least in a prima facie way that there is a psychological or psychiatric overtone to the problem. It seems to me that having accepted the position of the Ombudsman on the matter of reasonable doubt to a large degree, the Workmen's Compensation Board

seems to have put aside this one section to be dealt with in a different fashion.

I would hope the minister would try to review with the board the positions they see with reference to these very real cases. To me they're tragic in that we know it's possible that something may be done. To lose that chance through a lack of any real effort is troublesome to me.

Perhaps from that point of view, apart from any other point of view, we might take a fresh look. There isn't any doubt on the part of any member in this House dealing with workmen's compensation cases, including the minister, I'm sure, that this is one of the surviving in-depth problems of the Workmen's Compensation Board.

I have felt this board has come a long way with the efforts of the Ombudsmen and the select committee. I don't like to see us moving so haltingly, case by case, as we are doing with this group. I do recognize that the cases must stand on their own merit but there must be some guidelines that can be referred to in order to try to assist those with the psychological and psychiatric problems. In these days of all our experts it really isn't too difficult for us to ascertain those with the real problems in this area and those who perhaps don't have a problem. The work record prior to the accident surely should be one of the very real criteria for examining these cases.

I just add my voice to that of the member for Sudbury East because I too have experienced it. I don't think one has to look very far anywhere in this House not to see others who would corroborate what both of us have said.

Thank you, Mr. Chairman.

Mr. Lane: Mr. Chairman, I think we all appreciate the volume of business the compensation board handles. I think it has come a long way in the eight years I've been around here, compared with what it used to be.

I'd like to pay tribute to the member for Sudbury East for his contribution. I think he's made not only a contribution to this House, but also a substantial contribution to the board in resolving some of the very sad situations they're faced with on a daily basis.

I don't pretend to handle the number of claims my friend from Sudbury East does but I certainly have my share of the claims because of the industrial activities in both Espanola and Elliot Lake. We talk to the board on a daily basis, I would think, and visit it less frequently. However, my friend is right: it's a sad situation that we have to resolve these situations one at a time, when there are many that never would be brought to the attention of anybody and never will be resolved.

Many of these people are very proud and hardworking. Even though, through various avenues of income, they may eventually get enough to keep the family together and supply their livelihood, we've taken away that pride they had in providing home and livelihood for their family.

The one thing I would like to contribute, if there's something I could contribute, would be to say that the greater the speed these claims can be handled, the less likelihood of this mental state my friend from Sudbury East talks about will develop. So if there's any way the board can, with the volume of business that it does, act more rapidly and give that person the peace of mind he deserves at an earlier date, so that he realizes he's going to be looked after reasonably well and he's not going to have to depend on welfare, move into a cheaper neighbourhood, or not let his son go to college, whatever the case may be, if he is getting only half the money he earned when he was out working hard for a living, then I think we can avoid the mental state often found in people who have not only suffered injury but also the frustration of not knowing when, if ever, their claims are going to be resolved.

[9:30]

I like to think the Workmen's Compensation Board might in some way speed up its processing of claims, especially those kinds of cases my friend from Sudbury East has mentioned. I know a back injury is very hard to define. Thinking back to the days when I was in the insurance business, I recall we were paying compensation under an insurance policy to a man injured in an automobile accident. The company would ask me, "How much longer were we going to pay this guy?" I would tell the doctor, "We have been paying the man for six months and he seems to be all right." The doctor would say, "It is pretty hard to tell. It's his back, not mine and he says he has pain." So we continued to pay him for a further period of time.

I know it is very difficult in the medical profession to zero in and say, "Yes, this is one that deserves attention and this one is a make-believe situation." I know that is what the board is faced with. But if we can speed up the processing of claims to prevent the frustration and worry that so often occurs, I think we will have gone a long way towards resolving the problems my friend has brought to the attention of the House.

Mr. Charlton: I would like to add a couple of brief comments to what has been said and respond in a way to what the minister said in his initial response to the member for Sudbury East. The minister mentioned that these kinds of situations had to be dealt with sensitively and if we found they were not being dealt with in that way, perhaps the criteria by which they are judged should be reviewed.

I would suggest that at least in a fair number of cases people at the board are extremely reluctant to make a judgement on psychological problems. I am not sure what the reasoning behind that is. I attended an appeal hearing today at one o'clock. The situation in this case was one where almost everybody involved, all of the attending physicians and almost all the board doctors, had said in a number of reports over the years that there was a psychological component to the claimant's disability.

At one point a claims adjudicator even recommended that because of the psychological component the claimant be awarded compensation for the psychological component in the form of a supplement for two years and that it be reviewed thereafter. There were all kinds of evidence in the woman's file about the psychological component of her disability yet at no point was the award granted. Possibly after a decision on the hearing today is made she will be granted entitlement on those grounds.

However, I want to make the point to the minister that perhaps his "perhaps" should be carried out. Perhaps we should be having a very careful look at how and why. And perhaps the problem with the employees at the board is a lack of effective ways of judging, effective guidelines. I am not sure exactly what the problem is but there seems to be a serious reluctance there. It is something that should be looked at.

Mr. Mancini: I really welcome the opportunity on any occasion to express my concerns about the Workmen's Compensation Board. Having had firsthand contact with the board after I was elected in 1975 I understand just how very real and very large many of the problems at the board are.

It certainly is good for the injured workers of Ontario to have someone like the Ontario Ombudsman review the procedures of the Workmen's Compensation Board, and it certainly is good to have his recommendations in front of the Legislature.

There are two points I would like to touch on in the few moments I have to comment. One is the area of reasonable doubt; the second is the area of adequate pensions.

When an injured worker files a claim, and the claim goes through the review process, is turned down at different levels and finally gets to the appeal board, the worker may or may not have the workmen's adviser there, he may or may not have representation there and he may or may not have enough facts to win his case. The area of reasonable doubt, in my view, is too vague and the area of reasonable doubt, in my view, is not used often enough.

I draw this to the attention of the minister, solely because I believe many injured workers in this province are not receiving a penny, not a single penny, from the Workmen's Compensation Board because the area of allowing them reasonable doubt for their injuries is too vague. I'm sure the appeal board people who sit behind a desk and listen to the worker are sympathetic, but their guidelines in this area of reasonable doubt are not strict enough.

I have a blatant case in my own riding—where a seriously injured worker—

Mr. Laughren: You are a blatant case.

Mr. Mancini: I know the member of Nickel Belt is as concerned about this worker as I am, and that's why he's listening very attentively.

Mr. Laughren: What about the minimum wage? What are your views on the minimum wage?

Mr. Mancini: We can talk about the minimum wage after, as far as the member for Nickel Belt is concerned. The area of reasonable doubt: What does the worker do? What does the injured worker do? I know the member for Nickel Belt is listening. What does the injured worker do when he feels this has not been used, when the tool of reasonable doubt has not been used? What alternative is left to the injured worker, I ask the minister? Nothing. There's nothing at all left.

What is the only thing an injured worker can do after he's gone through the system from top to bottom, taking a whole year to go through the process, and has found that his case has been denied, and has found that the tool of reasonable doubt has not been used? What tools are at his disposal for him to seek recourse? He has to go to the Ombudsman, and we have to start all over again. That is another long procedure. That procedure is not good enough. That procedure has to be dealt with all over again, if need be. When I see legitimate injured workers who have families to support, who have worked for many years and who go through a process from one review to another and come up

with nil, I think we have to have something better for them at the end of the road.

Take, for example, an injured worker who may be between 45 and 50 years old, who has worked for 20 or 25 years and who has proved that there is a reasonable doubt that his injury is compensable. What does a worker have to do to prove to the board that there is reasonable doubt?

I have a worker who was injured on the job. He was injured on a construction job and he could no longer do that work. What he did was take employment at less pay, in a lighter working atmosphere where he didn't have to lift up blocks, et cetera. I have an injured worker who has taken pay cuts two and three times because he wasn't able to do heavy-duty work.

We placed this evidence before the Workmen's Compensation Board at the final appeal hearing. They said that was not enough evidence to give the worker the benefit of the doubt. When an injured worker takes a less well-paying job and lowers his standard of living, that should be enough to give him the benefit of the doubt. That's why I say there is too much vagueness in that phrase. We're going to have to change, if need be, whatever guidelines the minister gives to the board because, frankly, I haven't seen any guidelines he has sent to the board concerning this very important issue of giving the worker the reasonable doubt in case of an injury.

I consider the treatment of these injured workmen extremely unfair. They are too young to collect from anywhere. Where are they supposed to obtain funds to maintain their families? To what agency are they to apply, after having been refused by the board a single penny for compensation and after having taken almost a whole year, if not a little longer, to go through the whole process? That's very unjust.

I would hope the Minister of Labour, who has been in his position now for about a year, would look into that area, would issue some specific instructions and would possibly have them tabled in the House to indicate what he intends to do with this problem, because the injured worker who is not given the reasonable doubt for his injury is far worse off than the worker who at least gets something.

Members can well recall all the debates we have had in the Workmen's Compensation Board estimates. We're probably just repeating again all of the things we said there. The reason we do so is that when a person's livelihood is taken away from him, it's the most serious thing, I believe, that can happen to a person in his life.

I personally believe most people want to be productive, want to go to work, want to receive their pay cheque, want to pay their bills and want to improve their living environment. However, this all falls apart when a person becomes an injured worker.

We have heard the story from one Minister of Labour, previous to the present minister's appointment, that they are given something, et cetera, but that's not the point. We also have heard this is possibly the best workmen's compensation system. I don't know where; they usually say North America. That is still not a good enough answer. I have heard that comment many times from the previous minister. I have sat in committee after committee and have heard that.

If anyone will check the records, I am sure with no trouble at all he will find we were told what a great system we have. Maybe it's true, but we're pointing out to the minister the inequities in the system. Just because it's better than someone else's system doesn't mean it is treating the injured workers properly. This vague idea about giving someone the benefit of the doubt is not working well enough, in my view. I hope the minister will address many hours of his time to this particular problem. I hope some time in the near future he will be able to report to the House exactly what actions are going to be taken to alleviate some of these problems.

It is shameful the way some of these people are treated. Basically, their lives are completely ruined. We, as members, see this unfolding before us time and time again. Frankly, we have a feeling of helplessness when the injured worker has gone through the system while we have assisted them along, taking a whole year to do it, yet he ends up with nil when he is legitimately injured. The benefit of the doubt, that vague idea the minister and his predecessor before him has espoused, is not working.

That is the first area I want to touch on, Mr. Chairman. The second area is the idea of pension, and some type of reward for the amount of disability, and that is what it comes down to. You reward people for the amount of disability.

[9:45]

I address these comments to the minister's predecessor. If you have a bus driver who has injured his back and can't turn the wheel, and you assess the man at 35 per cent disability, where and how is he supposed to pick up the rest? If he can't do the job he was doing, why and how could he be classified as 35 per cent disabled?

These are questions that we have asked before; the answers are not forthcoming; the injured workers are still treated like lepers. We give them just enough to carry on some type of existence, hopefully just enough money that they won't create any kind of disruption; and the system carries on.

Frankly, it is getting a little tiresome on this side of the House to address these concerns to the Minister of Labour, and when we have the opportunity, to the chairman of the Workmen's Compensation Board.

We don't believe that the minister doesn't care; don't believe the minister and the chairman want to be cruel people and want to withhold benefits. But we start to become curious after a great deal of time passes and changes are not implemented; we start to become very concerned when injured workers do not receive yearly increases in their pensions and yearly increases in their benefits. We do not understand how the minister would expect them to be able to maintain some semblance of family life when he denies them yearly increases, when he classifies them as 35 per cent disabled and when, if appeals come through, he will probably throw in another 10 per cent for some kind of psychological disorder.

Frankly, no, I don't have all the answers. I am sure the minister and the chairman of the Workmen's Compensation Board have the money and authority and prestige at their disposal that they could hire sufficient people to help them solve many of these problems.

By ignoring the problem it is not going to go away. By giving a person a 35 per cent pension, when he is totally disabled, is not going to solve the problem. By letting the injured worker go through a slew of appeals only to be given an answer that is really unsatisfactory when all facts are considered, is not going to make the problem go away.

So I leave these thoughts with the minister. Sometimes I get a little emotional when I speak of this matter concerning injured workers, but the reason I do is because it is very difficult to witness people in your own community who have worked hard and, through no fault of their own, have suffered injury and see their whole life fall down around them.

I can well understand, after having been here in the Legislature for a little over four and a half years, having watched up close some of these injured workmen. I can well understand why psychological disorders occur, because if I had to go through the system that they had to go through, and go for months at a time without pay and not know where to turn, I think that would affect all of us.

I just wish the minister would give further consideration to these problems that have been outlined by many members of the House, and whatever—

Mr. Deputy Chairman: I might remind the member he is being very repetitive. I don't wish to detract from what he is saying, but I think he has said the same thing over and over again.

Mr. Mancini: I just wanted to make my point with the minister, Mr. Chairman. I didn't realize I was so repetitive. The minister was looking so intently I thought it was all new stuff. I would just hope the minister would think of somehow streamlining the process.

With those few comments, I will take my seat.

Mr. Renwick: Mr. Chairman, I have just two points I want to make. My experience in recent months with the Workmen's Compensation Board, limited as it is, tells me the time has come when a commissioner should look at the board. There are some serious problems there. We have been talking forever about what the minister refers to as hard core cases. The way they are dealt with is inequitable. I think the commissioner has to be a man of the equivalent calibre of Stephen Lewis, the former leader of this party, or Stephen Lewis himself, if he were available, to look into what is happening at that board.

The second thing I want to say is that I am going to take the minister at his word; it is going to occupy a bit of his time but I know he will give it that time. I had occasion this year to try to deal with about half a dozen cases dealing with psychiatric disability as a component of the overall disability of the cases—a range of situations involved in it. I was shocked at the files at the board. I spent an immense amount of time going through the files to try to sort out what had happened to these men's claims. Each of them is at various stages of appeal. Some of them are concluded in most unhappy circumstances. On a couple I wait forever for reports to come in.

I am not complaining about delay as such. That is not my point. I am going to send him, if he will take the time, a transcript of one of the cases wherein the hearing took, for practical purposes, all day. It represented the equivalent, I suppose, of about four or five days' time in preparation for that case. I

tried to put before the board what happened from the time this man was injured, and we are still fighting the case.

There is something seriously wrong in the procedure. When you take it to the appeal process it is almost as if that is another step in the quagmire, not a step in the resolution of the problem. Now we have the Ombudsman and we have added another step in the quagmire for these difficult cases; they take an interminable amount of time. One doesn't have to be Sigmund Freud to understand that psychiatric disabilities become more and more entrenched as time goes on, in many instances.

I know the minister understands it and is well aware of it. I don't think I can add to his sense of the dimension of the problem. But I think somehow or other someone is going to have to take a look at that board—someone who is not one of Her Majesty's judges. It should be some person with the skill and ability to take a number of these cases as sample cases, take the time to go through them and work out what is wrong. There are any number of cases that are duplicated.

That doesn't take away from the fact that statistically there are a tremendous number of claims that the board settles quite expeditiously over a period of time. We are talking about the cases that come to the members of this assembly because they have nowhere else to go. They have been through the mill, usually before we as members get them. Then we are constantly fighting the same battles. There must be some better way of dealing with them than this constant head-on collision about what can be done.

When I have the transcript of that one case I will send it over to you and ask if you will be good enough to pore through it and ruminate on it and perhaps then we could discuss it.

Mr. Martel: Is the minister not going to respond?

Hon. Mr. Elgie: I appreciate many of the remarks made. I don't think anybody is under the illusion we all aren't seeing the same sort of difficult parts of our problems.

I do have some reservations about the remarks of the member for Essex South when he suggests he hasn't seen any guidelines that I have forwarded to the board. I tell the member in all sincerity, that is not my job, nor does the act allow me to do that, nor do I hope he thinks the act would allow me to do that. That is one of the functions of the board and the corporate board under the act. It's not my job to prepare guidelines, nor would it be proper for me to do so.

I think the member for St. George and other members have referred to the doctrine of reasonable doubt. As has already been mentioned, a changing concept of reasonable doubt is under consideration by a committee of the board. I hope out of that and out of the efforts that led to that, mainly prompted by the select committee and the Ombudsman, that we will achieve a concept of reasonable doubt that will alleviate some of the problems that confront us and confront injured workers.

The member for Sudbury East put a question to me regarding what is the answer. I don't know the answer. I think he knows that and he knows that nobody really has that answer. He knows the case that's presented as well as I do. It's a person who has had an injury, who makes some sort of recovery from the injury but has a psychological overlay. The decision then is, as the member for Riverdale said, is this an unremitting, permanent, psychological overlay with absolutely no hope of rehabilitation and the longer the situation goes on, the more likely that is so; or is this someone who by all objective tests still has the capacity to return to work but this psychological problem interferes with him, and is there still some hope that he can be encouraged to do so? Where the dividing line is I don't know. That is one of the problems the board faces.

But certainly I think the comments tonight have been helpful and if I could answer it more directly and more exactly, I would.

Recommendations 13 to 17, inclusive, agreed to.

Report, as amended, agreed to.

On motion by Hon. Mr. Gregory, the committee of the whole House recommended the adoption of the amended seventh report of the select committee on the Ombudsman.

Motion agreed to.

The House adjourned at 10:01 p.m.

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No. 116

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Friday, November 23, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, NOVEMBER 23, 1979

The House met at 10 a.m.

Prayers.

SUPPLEMENTARY ESTIMATES

Hon. Mr. McCague: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor, signed by her own hand.

Mr. Speaker: By her own hand, Pauline M. McGibbon, the Honourable the Lieutenant Governor, transmits supplementary estimates of certain additional sums required for the services of the province for the year ending March 31, 1980, and recommends them to the Legislative Assembly, Toronto, November 23, 1979.

MINISTER'S COMMENT

Mr. Stong: Yesterday, Mr. Speaker, in answer to the last question during the oral questions of the Minister of Transportation and Communications, in the confusion I thought he had withdrawn his imputation of motivation. However, on check of Hansard, he has not. The comments he made in his answer indicate that I was, and I quote from Hansard, "by way of his interjections inadvertently, if not intentionally, misleading this House." Mr. Speaker, that language, being unparliamentary and being inaccurate, I would ask that the chair rule the Minister of Transportation and Communications withdraw forthwith.

Hon. Mr. Snow: Mr. Speaker, I have not seen the Hansard but I do recall saying the member may be inadvertently misleading the House. I certainly would not indicate that he would intentionally do so. If I said he may have intentionally misled the House, I withdraw that of course.

STATEMENTS BY THE MINISTRY

NIAGARA ESCARPMENT DEVELOPMENT

Hon. Mr. Brunelle: Mr. Speaker, I would like to inform the House that yesterday the Niagara Escarpment Commission announced a proposed plan for the Niagara Escarpment. This document represents the culmination of a substantial effort on the part of the commission and its staff, as well as the contribution of local authorities and interest groups. I would like to take this opportunity of expressing my appreciation—

Mr. Nixon: On a point of order, Mr. Speaker. Does the honourable member have a copy of that statement?

Mrs. Campbell: In accordance with the rules.

Mr. Speaker: The standing orders make it quite clear that if a minister is going to make a ministerial statement copies of it be distributed either at the time, or preferably in advance of its delivery. The logistics of living up to that standing order shouldn't be too difficult.

Mr. S. Smith: They arrived just as you were speaking, Mr. Speaker. Thank you.

Hon. Mr. Brunelle: I would like to take this opportunity of expressing my appreciation to all concerned for their hard and dedicated work in preparing this important document.

I also wish to take this opportunity to advise the House of the procedures that will apply for public review and discussion of the proposed plan before it is submitted to the minister.

First, the Niagara Escarpment Planning and Development Act requires the proposed plan to be circulated to each local municipality within, or partly within, the Niagara Escarpment planning area. Councils will be invited to make comments on the plan to the council of the county or regional municipality within three months of receiving it. The act anticipates that county councils, regional councils and members of the public will respond to the commission with their comments within four months.

In the four months' time, the act requires the commission to appoint hearing officers to conduct public hearings into the proposed plan. I expect the hearings to commence early next April. At the hearings, all interested persons can make representations and ask questions on the contents of the proposed plans.

Three months following the completion of the hearings, the inquiry officers are required to submit a summary of the representations

to the commission. In their report, the officers will state whether the plan should be accepted, rejected or modified.

After giving consideration to the hearing officers' report, the commission will submit a proposed plan to the minister. Following an analysis of this document, the minister will submit the proposed plan with recommendations to the Lieutenant Governor in Council.

It is difficult to predict when the proposed plan for the Niagara Escarpment will be submitted. This is because of the uncertainty regarding the length of time involved with the public hearings. In the coming weeks, I intend to consult with the commission to determine the locations at which the hearings will take place and what length of time is considered to be appropriate. Further details on these arrangements will be announced by the commission before the hearings commence.

My current thoughts on the matter are that the four months of public review preceding the public hearings is ample time for participants to prepare their representations. Given this opportunity for preparation, I would expect the hearings to be over by the end of next summer, which then makes it possible for the proposed plan to be submitted to the minister about a year from now.

With regard to the immediate situation, I understand copies of the preliminary proposals have been distributed to all municipalities along the Niagara Escarpment and to most of the interest groups involved.

In the coming weeks, the Niagara Escarpment Commission will be arranging briefing sessions for local authorities and interest groups. Drop-in centres will also be established in a number of communities along the Niagara Escarpment and in the Macdonald building, Queen's Park. Commission staff will be available at the drop-in centres to answer questions about the proposed plan.

In the coming months, I expect the proposed plan for the Niagara Escarpment to receive extensive discussion. The participation by all interested parties in the process I have described is an essential ingredient in the development of a satisfactory plan for the preservation of the Niagara Escarpment. The government is encouraged by the intensive work of the commission in preparing the preliminary proposals and looks forward to the full expression of views by all concerned.

GEORGE BELCHER

Hon. Mr. Drea: Mr. Speaker, I would like to draw to the attention of the House this morning the fact that a very remarkable, dedicated and distinguished public servant has retired after 50 years—a half century—of service to the government of Ontario and to the people of this province.

The person I refer to is Mr. George Belcher of the theatres branch or the censor board; a man who came to work for that board and for this government on November 18, 1929, and has been faithful, efficient, and indeed all of the things that have really exemplified the quality of the public service in this province during that half century.

For the sake of the record, Mr. Belcher joined the public service during the time of Premier G. Howard Ferguson. He has served under 10 Premiers, countless deputy ministers, and heaven knows how many hundreds of members of this assembly.

I think it is significant that at the ceremonies marking his retirement the common denominator of his service, in addition to the things we have come to expect from Mr. Belcher, was his good nature, his cheerfulness, and his ability to provide service, particularly to the film industry, at times when it really was above and beyond the call of duty.

I'm sure that other members of the House will want to join with me in wishing him our sincere good wishes in the 50 years of his second career.

[Later (10:18):]

Hon. Mr. Davis: I would also like to express my best wishes to Mr. Belcher. It is not everyone who survives 50 years of public service at any level of government. George Belcher has done it extremely well. I extend my personal best wishes to him as he continues whatever career he decides to pursue.

[Reverting (10:13):]

DEATH OF FRED SGAMBATI

Hon. Mr. Drea: It is with regret that I draw to the attention of the House this morning the death of a very distinguished constituent, Mr. Fred Sgambati. I know there have been in Mr. Sgambati's life a great number of honours, not the least of which was a very high honour that was bestowed upon him just before his untimely death. I know that in the next few days undoubtedly the remarkable career he had will be chronicled most accurately and, indeed, there will probably be, in the way of tributes and accords, even more honours.

I think what I would like to draw to the attention of the House is the tremendous comfort and hope that Mr. Sgambati was able to bring to so many people, notwithstanding the fact that he had been extremely ill for a number of years. He strove valiantly back to work and performed as

efficiently as he always did, despite the sometimes intense physical difficulties and the other difficulties that are so often associated with the knowledge that one has a terminal illness.

Because of the way he acted, his cheerfulness, his business-as-usual type of conduct, I'm quite sure, across this province and country he did indeed bring comfort to those afflicted with the same ailment. Indeed, by the fact that he was able to carry on in the most public of forums, he brought hope to those for whom I'm sure all members of the Legislature sincerely hope medical science, in time, will be able to produce some type of remedy.

It is that indomitable spirit of Mr. Sgambati that will surmount all of the so justly deserved public honours that he will receive. I'm sure the honourable members will join with me in condolences and sympathy to his family.

[10:15]

Mr. S. Smith: On behalf of members on this side, I do want to join with the minister in offering condolences to Mr. Sgambati's family.

To put the matter briefly, Mr. Sgambati added immeasurably to our enjoyment of life throughout his life. At the end, he left us a legacy even more important than that: He taught us in a singular way how to face death. He did so in a way that will be an encouragement and an example to everyone in this province and this country. For that, we have to thank him perhaps even more than for all the great contributions he made during the rest of his lifetime. He was singularly able to encourage us by his own way of handling this very difficult human condition. We salute his memory and offer condolences to his family.

Mr. Foulds: On behalf of the New Democratic Party, I would like to lend our support to what has just been said.

Fred Sgambati was unique in that sports broadcasting is a particularly difficult task to do well and sensibly. Mr. Sgambati did it not only well and sensibly, but he did it with style and panache. He is a credit to sport, to broadcasting and to Ontario. He displayed courage during his career and during his illness. For that, we must all salute him.

Hon. Mr. Davis: I wanted to add a personal word about Mr. Sgambati. I knew the late Mr. Sgambati longer than almost anyone in this House, with the possible exception of the Attorney General (Mr. McMurtry). We were friends for many years in spite of what he did to the Premier of this province many years ago. Mr. Sgambati isn't necessarily unique, but without any question on this occasion he had the last word with the Premier of this province, which isn't always easy to do.

I used to play, not well, a little bit of football. Mr. Sgambati, in one of his early involvements in the sporting community, was acting as referee. I argued a call with him one day—I won't say where or whom we were playing—and Mr. Sgambati used his authority to suggest to the now Premier of this province that he vacate the field, that he no longer continue to compete in that game. I had no alternative but to accept his judgement and I had to leave the field under Mr. Sgambati's direction.

I knew him personally quite well. I was a great admirer of his and understood what he was going through during the past period. I wrote Mr. Sgambati a personal note some three or four days ago to say a few things to him. But I would like to express here, in a personal way, my condolences to his family and to say, as one who understood to a certain extent what he had gone through, how much I appreciated the example he had set to so many people in this country. We will miss Fred Sgambati.

ORAL QUESTIONS

JUNIOR HOCKEY COMMITMENT

Mr. S. Smith: I have a question for the Premier, Mr. Speaker. Is the Premier aware of a situation where it appears that Canada will be reneging on an international ice hockey commitment to send a team to the world junior championships in Finland? Is he also aware that, as a consequence of reneging on this—and this is a matter of some urgency since the tournament is scheduled for next month—Canada may be fined and relegated to the second division in junior hockey?

Has the Premier had a chance to learn the facts of this matter? Can he, in view of the fact the team to be sent is the Peterborough Petes, which is mostly composed of Ontario boys, take some action to make sure Canada does in fact let Finland know immediately that we will send a team, and that we will not renege on our commitment? Can the Ontario government provide, perhaps from the lotteries or from the Ministry of Culture and Recreation, some financial assistance so this team, bolstered by some suitable junior players, would be able to compete and maintain our reputation in international ice hockey, so whether we win or lose, at least

we can be counted on to co-operate and keep our commitments?

Hon. Mr. Davis: Mr. Speaker, I'm not aware of all the circumstances. I have asked for some information on this. The Minister of Culture and Recreation may have some more up-to-date information than I have. I expect to be able to say something, or the minister will, on Monday.

Mr. S. Smith: By way of supplementary: It may assist the Premier to know I have been in touch with Mr. Costello, of the Canadian Amateur Hockey Association, and I gather the problem was the bolstering of the team. They had money from Sport Canada, about $25,000, to send the Petes, but to bolster them with eight suitable players requires a disproportionately high amount of money, given insurance policies and one thing or another on these star players.

Will the province make a commitment today that it will be willing to do at least its share, or pay a share, of the financial support so the Peterborough Petes can go, so these boys can have the trip they've anticipated, and can represent Canada, so we can avoid relegation and so we can, most importantly, keep the commitments this country has made in international ice hockey?

Hon. Mr. Davis: Although I don't want to get into what commitments other countries may make in this particular field over the years, I am one who has always supported Canadian participation in international events, whether it be ice hockey or anything else. As I say to the Leader of the Opposition, I can't give a commitment this will be solved. I have already asked for information on this, Mr. Speaker, and I expect to have a report for the House on Monday.

Mr. S. Smith: I thank the Premier for that response and look forward to the report on Monday.

MISSISSAUGA TRAIN FIRE

Mr. S. Smith: A question to the Attorney General: I return, reluctantly, to the matter of the CP Rail waiver and all the legal ramifications of the recent derailment in Mississauga.

Will the Attorney General explain why it is that the government has basically done nothing of substance to help the people of Mississauga to deal with the legal ramifications of this derailment? In the first place, can he say why so far the government has shown no willingness to change the class action laws to make it more suitable and to make it a little easier for class action to succeed in this case? Can he explain why private groups are now growing up in Mississauga, taking fees from people in order to give certain advice, and to take legal action? Why isn't the government helping to coordinate this?

Finally, with regard to the infamous waiver, why is it that waiver is still continuing and there is still no government lawyer there? Why is it there is still no report of the Premier having met with the president of CP, and no real muscle being used with that company? The legal aid clinic that is there is on the other side of the street completely, totally divorced from the situation where the waivers are being signed, and there's not even a sign to indicate there is a legal aid clinic available.

Hon. Mr. McMurtry: Unfortunately, the Leader of the Opposition is very badly misinformed in so far as the role of the government in assisting the citizens of Mississauga in this matter. I would like to advise briefly what we have done.

Mr. S. Smith: Please correct me if I'm wrong.

Hon. Mr. McMurtry: I certainly will, Mr. Speaker.

In the early days of the emergency in Mississauga I spoke to the executive vice-president of CP, Mr. William Stinson, before the immediate emergency was resolved, and indicated to him I would hope CP would make some considerable effort to resolve the expenses so many thousands of Mississaugans have been put to as a result of this emergency. Mr. Stinson indicated a willingness to do this. As a result, the claims operation was established in Mississauga.

Obviously, we are not happy about the form of release, but I can tell the Leader of the Opposition that given the history of this type of problem on the North American continent, their claims operation, in settling these claims in the expeditious manner they have done most of them, is really quite without precedent.

The next step I took in this matter was to contact a local solicitor, Mr. Willson McTavish, vice-president of the local law association. I asked him to bring together a group of lawyers, along with voluntary legal assistance to assist the citizens of Mississauga. This was widely publicized in the area. The mayor herself has made a number of statements about this.

Furthermore, when it was brought to my attention by Mr. McTavish that the local lawyers were not able to provide sufficient amount of legal advice, I made a personal request of the Law Society of Upper Can-

ada, who administer the provincial legal aid plan, to send out additional resources to assist with the giving of legal advice to the members of the community. The legal aid plan made a decision earlier in the week to send out additional lawyers, to assist in a legal aid office, which they opened for that purpose in Square One, indicating at the same time that if the demands exceeded those legal resources, they would look with favour, in so far as providing additional legal resources was concerned.

As I've already mentioned in this House, we indicated our concern with respect to the form of waiver or release. The Premier of this province has had at least three conversations with the president of Canadian Pacific Railway in relation to modifying their position with respect to the release form. CPR have indicated they are going to continue to use this form, on the advice of their lawyers. We don't think it's necessary. We think it's unwise, as I've already said, because we don't think it's necessary. We think it is, perhaps, just injecting a problem that should not have been part of this process.

I can tell the members that the mayor of Mississauga and many other people are unhappy about this form of release as well. They've indicated to me that they're very anxious for this claims office to continue, and while they would prefer to have it continue without that form of release, they don't want to do anything, and they don't want us to do anything, to encourage the CPR simply to close down this operation altogether. Certainly that is the message I have received from the mayor of Mississauga.

I have also indicated to this House that should it turn out, because of the use of this release, that any injustices do occur, there are other legal options open to the government. I don't intend to discuss those legal options at this particular time. But I think it is totally inaccurate and quite unfair of the Leader of the Opposition to state that the government has not been very much involved.

I have to say there are some in the legal profession who feel an Attorney General has no role to play in relation to private disputes between private citizens and private corporations, and they are concerned about our role in this respect. Notwithstanding that, I feel we do have a role to play, and I think we've played it as effectively as any government could have done in the circumstances.

Mr. S. Smith: I have a supplementary redirected to the Premier. Since the Attorney General said the Premier has had at least three conversations with the president of CPR, presumably on the subject of the waiver, will the Premier tell this House the nature of those conversations, and how he feels about the fact that the president of CPR seems to have ignored the Premier's request that this waiver be eliminated or drastically altered?

[10:30]

What clout has the Premier in any way suggested he might use as a resort, if necessary, if CP refuses to comply with what is basic fairness and reasonableness—which is all they are being asked to do—in getting rid of that waiver and substituting a proper receipt form?

Hon. Mr. Davis: Mr. Speaker, I have discussed this with the president of CP. I am just going to tell you what he feels about this particular situation.

First, I think it is fair to assume that CP isn't accepting liability. On the advice of their solicitors and those of the insurance companies, it is understandable that their position will be, at this stage at least, non-acceptance of liability.

CP felt—and some may feel they were wrong in this—they were doing the right thing by moving in immediately and compensating those people who had been affected, for out-of-pocket expenses. I've learned something about situations in other countries where they have had these sorts of situations, and I think in fairness CP has moved in a way that a lot of companies would not have, under the circumstances.

However, they were receiving very strong advice from their legal counsel—while it is easy to single out a corporation, or a president of a corporation, directors do have some responsibilities under the law in terms of what they can and cannot do as it relates to their shareholders. CP thought their motivation was right and that they were and are performing a service.

I am informed that the average claim at this moment is somewhere in the neighbourhood of $200 to $250. They have processed now, I think, several thousand claims. The reaction to CP from the majority of those who have been served in this fashion has been very complimentary.

I made it quite clear to Mr. Sinclair I was concerned that the waiver provision might put some people in a position, in terms of employment or what have you, where they might be prejudiced. He pointed out to me that he understood this. However, as I understand the law, the application of this waiver

may not be as effective as the lawyers, who are advising CP, suggest. I am not passing any legal judgement.

What I am concerned about is that if there is extensive criticism of this policy of CP, their legal advice probably would be that they would be better off getting out of this sort of program to assist those people with out-of-pocket expenses. I think this was the concern expressed by the mayor of Mississauga to the Attorney General, and I think it is one that every member in this House would share.

I would hate to see people wait for the litigation. There is bound to be litigation, and the lawyers opposite would understand that probably one is talking two, three, maybe even four years before this matter would be determined by the courts—whether it is by way of class action or in any other fashion. I would be reluctant to see those people who put out money not being able to get these funds in the short term.

I have had these conversations with Mr. Sinclair. He understands the concerns we have expressed with respect to the waiver, but he says to me very simply that without it they would have to deny liability. I would assume the legal people who will be acting for the insurance companies have given CP the advice that they probably should not be doing it, period. His own legal people have told him that if the waiver were to be removed from the form itself, then CP would seriously have to consider suggesting that in their view they don't have liability. At this moment there is no court decision saying they have liability. This would mean they would have to terminate the program, and I think that would be unfortunate.

I honestly believe as this thing sorts itself out over a period of time, people are being cautioned with respect to this. A lot of people legitimately only have those out-of-pocket expenses—people who weren't too close to where the accident itself took place. I think it is fair to state that a lot of people are satisfied with the program that CP has instituted.

I think there are other possibilities. If we find, somewhere down the road, that people have been prejudiced in any way, I think there are ways and means of rectifying it. I can assure the Leader of the Opposition and the citizens of Mississauga, if we find that is the case, if there are things we need to do as this thing moves further along, we will be prepared to do them.

Mr. Renwick: Supplementary: in the possibility that there may be an immediate likelihood for the Premier or for the Attorney General to take in connection with this matter, I am pleased that the Premier referred to the insurance companies' role in this particular problem. It is my guess that is where the problem has arisen.

Since I understand Lloyds of London, which is authorized to carry on business in this province, is likely carrying the excess insurance coverage, and may well have been faced with the problem of dictating this kind of waiver requirement on CP, will the Premier or the Attorney General bypass the representative of Lloyds of London in Ontario, speak to the chairman of Lloyds in London, England, invite him to send a representative here who would meet with the Premier or Attorney General, the president of CP and the representative of whatever other insurance company is here, to see whether or not there is some possibility of making certain a waiver can be drafted or a document can be prepared in such a way as to ensure, without waiving any future liability claims that may be made, that the immediate out-of-pocket and wage loss expenses can be paid in an orderly way, which is, I think, what the Premier and the Attorney General and all of us wish would be the solution to the problem?

Hon. Mr. Davis: Mr. Speaker, the Attorney General has been pursuing all possibilities for the government. I reiterate to the member for Riverdale, I am not sure whether Lloyds has it or not. We can make those inquiries and find out, because we are most anxious to find out if people's claims are being prejudiced. Those options are open to us, they are here, or they can be here.

I think the majority of people in Mississauga have only out-of-pocket expense claims. We are most anxious that that process not be prejudiced, and that people's claims not be held up because of whatever machinations we may get into, or the legal people for the insurance companies or CPR. I can assure the member for Riverdale, we will pursue every avenue. But we are anxious for all of us to understand that as a government we would like to see this program continue. We don't want to see the people prejudiced. I think we can make sure that they are not.

Mr. Kennedy: Supplementary: Inasmuch as there have now been large numbers of these claims paid for out-of-pocket expenses, and that all who have received funds from CPR have signed a waiver of one sort or another—some have signed releases with conditions; including some small businesses—and that it seems to me that the remedies mentioned by the Solicitor General are very likely to come

into play, is the government looking at this possibility right now?

The Solicitor General (Mr. McMurtry) has said he doesn't wish to discuss them at the moment, but it seems to me there is a real possibility that these will be invoked, or efforts made. Will the government be ready at an early time to inform these claimants what remedies might be available to them?

Hon. Mr. Davis: I repeat to the member for Mississauga South what I have said here, and what I have said to a number of his constituents in a very personal way. CPR has introduced this program to compensate immediately for out-of-pocket expenses on advice from its legal people; whether it is CPR or through the insurance companies, they are taking the position at present. I am anxious that program not be interfered with, but I give the member for Mississauga South and the people of Mississauga generally my assurance that in no way will their longer-term rights, if they have them in law, be prejudiced because of whatever program exists at present.

I am concerned, Mr. Speaker, because my own guess is that in terms of whatever litigation emerges from this, it will take not just weeks, but months and probably years, before ultimate liability is determined and what might flow then from that. I would hate to see the people from Mississauga not receive those expenses they have incurred to date paid by CP.

Mr. Speaker: We have spent nearly 20 minutes on this. If the member has a brief final supplementary, I'll hear it.

Mr. S. Smith: Supplementary: Do I understand the Premier to have just said he gives his personal assurance that the signing of these waivers by people will not prejudice their longer-term rights to future payments, future possible claims with respect to wages, health, whatever?

Does the Premier feel confident he can give an assurance that the signing of these waivers is really, in effect, nothing more than giving a receipt and does not have the power the Solicitor General must have thought the receipts would have because he advised everyone not to sign them?

If the Premier is giving his personal assurance that the signing of these waivers will not, in fact, prejudice any future claims and they are not what they seem to be, why has he not said this earlier at least to contradict what the Solicitor General said in advising people not to sign? Why don't we just forget the whole matter and let people sign the whole thing?

Could he tell us by what route he intends to guarantee their future rights? Could he tell us by what route he intends to guarantee that the waiver will have no force at all?

Hon. Mr. Davis: Mr. Speaker, of course I didn't say what the Leader of the Opposition is saying I said, nor did the Attorney General say what the Leader of the Opposition is saying he said. He shouldn't look so angry, he shouldn't shake his head. I am just telling him what I said, and I happened to be here when the Attorney General said what he said.

Certainly there is a potential that the waiver form has an effect in law; there is no question about that. What I have said to the member for Riverdale and what I said to the member for Mississauga South is that there are options available to us if we find there is any prejudice to people who have signed these waivers. I am just saying that if we find this to be so—and I say "if," because I think one can exaggerate the potential of this beyond that which is reasonable, and I think it is incumbent upon us not to do that—the options are available to us.

The Attorney General never said the waivers could not have an effect; I am not saying they don't have an effect. What I am saying, and what I heard the Attorney General say, was that there are options available to us if we find there is a prejudice with respect to those who have signed them.

TRANSPORTATION SERVICES FOR HANDICAPPED

Mr. Cassidy: I have a question for the Minister of Transportation and Communications relating to the rights of the handicapped.

Since the proposed bill on the rights of the handicapped states in section 1 that "no person shall knowingly discriminate against a person on the ground of a handicap so as to deny or qualify the equal enjoyment by that person of services, goods and facilities," would the minister explain to us what impact that legislation will have on the government's separate but equal policy for the transportation of handicapped people on public transportation?

Hon. Mr. Snow: Mr. Speaker, I have a little trouble in following what the leader of the New Democratic Party is getting at. It is my understanding that the plan at present in place by the government in supplying or making available assistance to municipalities to supply public transportation for the handicapped meets the requirements of the bill introduced by my colleague yesterday.

Mr. Cassidy: Supplementary: Could the minister explain, if the government is committed to making public facilities accessible and to implementing section 1 of this new bill affecting the handicapped, why it is that the government has consistently refused to provide for the additional funding required to make the Scarborough light rapid transit line accessible to persons who are handicapped?

Hon. Mr. Snow: I think that particular question considers a lot of sides. We have said to Metropolitan Toronto that many things they wish to do as far as public transit facilities are concerned, in order to make them more accessible within certain reason, are eligible for subsidy and we have not refused subsidy on that basis.

[10:45]

Mr. R. F. Johnston: Supplementary: Since the Life Together report, which formed much of the basis of yesterday's human rights' announcement, stated "that provincial and municipal governments can and should provide transportation which is accessible to all," and given the fact that transportation planners agree that parallel systems are only useful as interim measures, will the minister take action similar to that of the United States in its Rehabilitation Act, which ties financial assistance for transit to development of local policies for total accessibility?

Hon. Mr. Snow: No, Mr. Speaker. I cannot give that commitment because I don't believe it is possible or feasible and I don't believe the system that the member is referring to in the United States is working in any way.

Mr. S. Smith: Has the minister yet come to the conclusion that in Scarborough it's necessary to have a publicly funded form of transportation for the handicapped, over and above the access which, in my view, certainly should exist on the regular TTC vehicles? Has he yet come to the conclusion that it is not likely the private sector in Scarborough will be able to run properly a system of transportation for the handicapped and is he prepared to make sure the funding is available so that the public sector can do so?

Hon. Mr. Snow: I have some trouble understanding what the Leader of the Opposition is talking about. Funding is available right now—and has been for approximately two years—for the public sector, the corporation of Metropolitan Toronto, which I believe to be the public sector, to operate transportation for the physically handicapped within Metropolitan Toronto. In fact, for the last several months it has been available to every municipality that applies for it in Ontario.

That the corporation of Metropolitan Toronto or its arm, the TTC, has chosen, as have many other municipalities, to contract the service to a private operator, is their right and privilege to do so. Some municipalities, I believe, are operating it themselves but I believe most municipalities have chosen to operate it on a contract basis. Some municipalities operate their public transportation, their normal public transportation, on a contract basis; quite a number within the province. We subsidize those on the same basis as the municipalities that choose to run their own transit system and that is in place and working well right now.

Mr. S. Smith: Not in Scarborough.

Hon. Mr. Snow: On a point of order, Mr. Speaker, the honourable leader says, "Not in Scarborough." To my knowledge, Scarborough is part of Metropolitan Toronto and comes under the Metropolitan Toronto system.

Mr. Cassidy: Is the minister not aware that the rejection of the principles of accessibility to public transit that he has just delivered to this Legislature is quite specifically the knowing discrimination against the handicapped that his colleague, the Minister of Labour (Mr. Elgie), is seeking to outlaw in the proposed amendments in order to protect the rights of the handicapped?

Hon. Mr. Snow: No, Mr. Speaker, I don't agree with that.

NIAGARA ESCARPMENT DEVELOPMENT

Mr. Cassidy: I have a question for the Provincial Secretary for Resources Development relating to the implementation of the plans for the Niagara Escarpment on which he commented briefly this morning.

In view of the vital importance of land acquisition in the Niagara Escarpment Commission's proposals that were published yesterday, specifically that some 30,000 acres of land must be acquired in order to protect the escarpment as a continuous natural area, could we have a commitment from the government that the escarpment commission's recommendations for $25 million worth of land acquisition over the next five years will, in fact, be implemented by the government?

Hon. Mr. Brunelle: This government has acquired thousands of acres in the past few years. There is money in the Ministry of Nat-

ural Resources for land purchasing and land purchasing will be done on a priority basis.

Mr. Cassidy: Supplementary: Since there is no commitment there, would the minister explain what credibility his references to acquire land on a priority basis has when, in fact, in 1978 and 1979 there was no land acquired and no money spent for land acquisition in the escarpment area by the ministry, when in 1977 there was less than an acre acquired at a cost of $12,000 by the ministry and when, also in 1978, the ministry cut its proportion of shared costs with conservation authorities in the area from 75 per cent to 50 per cent? Is there a commitment or isn't there? If there is a commitment, will the government say when and by how much it will increase its acquisition funds for land in the escarpment area from the present sum of zero dollars a year?

Hon. Mr. Brunelle: Mr. Speaker, there is a commitment to purchase lands in the Niagara Escarpment Commission area, and there are funds in the 1980-81 estimates which will be forthcoming.

Mr. Swart: Does the minister not realize the new plan that has been tabled permits many new lots to be developed in some of these areas? Does he not realize the proposal permits in excess of 10,000 new lots for development in the escarpment protection area and the escarpment rural areas? Does he not realize the escarpment commission, in the years since 1975, has given permits for development on more than 90 per cent of the applications, and if this power is given to municipalities the percentage will go even higher?

In view of the fact the escarpment plan has been reduced to only 37 per cent of what it was originally, doesn't the minister think the grand principles of escarpment protection outlined in the principles and objectives of the Niagara Escarpment Development Act are rapidly being scuttled?

Will he recommend to the government that their land is going to be purchased? Will he assure us that he will keep those principles and objectives in the act? Will he give consideration to firmer zoning in place of the—

Mr. Speaker: Order.

Mr. Swart: —pressure point uncontrolled development, and will he remove the automatic provision for one or two new lots in every 100 acres?

Mr. Speaker: I must remind the honourable member that it is against the rules of this House to read at great length from documents. This is the question period.

Hon. Mr. Brunelle: The commission has acted very responsibly in keeping the objectives of the act and it will continue to do so.

Mr. Cassidy: Final supplementary: If the commission has acted responsibly, can we have an assurance that the government will act responsibly? Will it listen to what the commission is saying when it points out it will not be possible to protect the escarpment if the funding is not available to ensure that land acquisition, where required, can be carried out? To quote Ivor McMullin, the chairman, "If the province won't buy the land we will have to say it is all right for current owners to go ahead and build." Is that not the current situation when no money is being spent on land acquisition, and when will that policy change?

Hon. Mr. Brunelle: I would like to repeat to the leader of the NDP that there are funds for land acquisition.

HIGHWAY CONSTRUCTION

Mr. Bradley: I have a question for the Minister of Transportation and Communications, Mr. Speaker. During the Mississauga crisis, with motorists forced to detour around the quarantine area for obvious reasons, could the minister inform us why in these circumstances his work crews would still be out on the Burlington Skyway doing routine maintenance work and reducing it to one lane? Could he inform the House why all major detour routes were not free of construction work during the crisis and all possible lanes utilized to facilitate the movement of traffic?

Hon. Mr. Snow: I realize the tremendous problem created by closing three major highways—highway 2, the Queen Elizabeth Way and highway 5—as well as all the municipal streets. There is a very heavy volume of traffic that travels through that Lakeshore corridor and through the city of Mississauga, and it created an overload on highway 401. I don't relate that to something that might or might not be happening on the Burlington Skyway. I know the honourable member feels there should be no maintenance done on our highways—

Interjections.

Hon. Mr. Snow: He has said that. The honourable member has said that to me in letters—that we should not be resurfacing the Queen Elizabeth. The other day I got a letter saying we should not be repairing the guard rail that had been knocked out on the highway. We did the job between nine o'clock

in the morning and three o'clock in the afternoon, and that is not in the rush hour in that area. I don't really know how some of the honourable members of the opposition expect us to maintain our highway system when they do not want us on the highway doing the maintenance.

In the particular situation to which the honourable member is referring about construction taking place on the detour routes, I'm not aware of the location to which he is referring. I'm sure there was no maintenance. I'm almost positive, but I would have to check, there were no maintenance operations being carried out on those detour routes at that particular time.

He may be referring to the construction on highway 401 between Mississauga Road and Trafalgar Road. In that particular situation there are only a few days left to pave between now or then, and the closing down of paving operations for this fall. It is most important for that paving to be finished on that section of 401, otherwise it will be in a horrendous condition for the whole winter.

There were very few days available to do that work and I would presume the contractors, because of the very tight schedule did not cut down resurfacing on that job. If he had, it would probably not have been available to be used for traffic in any case, but there were, I'm sure, and there has been throughout all that construction two full lanes of traffic maintained. There has really been an excellent job done by the contractor in maintaining traffic in that section of 401 all summer. The job is well ahead of schedule.

Mr. Bradley: Supplementary: Could the minister inform us when he is going to extend the GO train service around to the other side of Burlington Bay—the south side of Hamilton—so the traffic problems that exist on the Queen Elizabeth Way can be alleviated?

Hon. Mr. Snow: Mr. Speaker, the honourable member knows very well there are no plans to extend the GO train service around the other side of Hamilton.

WATER RESCUE SERVICE

Hon. Mr. Snow: Mr. Speaker, I'd like to respond to a question the member for Quinte (Mr. O'Neil) asked a few days ago.

In response to the honourable member's question of November 9, regarding the use of ambulance frequencies for privately owned rescue boats, I've looked into this matter with the federal department of communications which has responsibility for assigning all radio frequencies.

Under Canadian policy—and as a result of an international agreement—land mobile frequencies, which include ambulance frequencies, are not assigned to marine use. Marine radio frequencies are available, however, to those who go through the normal licensing process applying to the department of communications in Ottawa for such a licence.

I understand these marine frequencies can be linked with the land and water agencies responsible for search and rescue operations but that, I presume, would not be the frequencies of an ambulance operation which is really not search and rescue.

SUPERMARKET PRICING AND CHECKOUT SYSTEMS

Mr. Swart: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations. Does he recall when the member for Ottawa Centre (Mr. Cassidy) and I urged him to take action to prevent the supermarkets from eliminating the individual price tags on their products when they introduce the universal product code, as Loblaws has done in Ottawa? Does he recall he told the House he was unhappy they had not followed the guidelines and, I quote, "in a very brief period of time" he'd come to the House and tell the members what he intended to do about it "in a very positive way"?

May I remind him it has now been five weeks. Can he tell the House today what steps he's taking to ensure the retention of those individual price tags?

[11:00]

Hon. Mr. Drea: Quite frankly, if it weren't for my informing the honourable member in the estimates, the matter probably wouldn't have arisen.

When I said I would be back in the House in a relatively brief period of time with a very positive approach to the matter, I meant before the end of the House session. If the member wants an elaboration on that, he should understand that before one does anything one wants to see how the system is working. I did not want to be put in the position of making a judgement on certain situations in the beginning or formative stage.

I have met the Consumers' Association of Canada and other groups concerning this matter. They know my route plan and they endorse it.

Mr. Swart: Supplementary: Is the minister not aware of two other Loblaws stores, one in London and one in Stony Creek, who have

changed to the universal product code and eliminated the individual pricing on their products? Is he not also aware that the consumers' association on November 1, since we asked him to do something about it, launched a boycott of those stores? Does he not know the Canadian Food and Commercial Workers Union objects to the elimination of those price tags, although they are going along with the new technology otherwise?

Surely the minister must understand that the removal of the stickers further breaks down the price consciousness of the consumers, and provides a potential for huge windfall inventory profits, because it is so easy to mark up the products? Will he bring in legislation to prohibit the removal of price stickers?

Hon. Mr. Drea: I know which stores are using the electronic checkout without individual prices. I can assure members I know almost before they begin to operate—

Mr. Mackenzie: That's a start for the minister.

Hon. Mr. Drea: I will repeat something once again. If it were not for my sharing my information with that party, they would never have found out about it.

Interjections.

Mr. Mackenzie: What is the minister going to do about it?

Hon. Mr. Drea: It is a matter of record that one week before any question was asked in this House—I am looking at the Liberal critic; he was there—I went to great lengths in my estimates, something I didn't have to do. I said I wanted to share this information with all members. The particular member raising such vehement objections said, "I thank you very much. I would never have known about it."

To come back to the main point, as I said when I was asked this on a previous occasion, I will be bringing into the House a very positive program to deal with this matter. As I said just a moment ago, it will be before the end of the legislative session.

The boycotts and whatever else is being done by the Consumers' Association of Canada, as referred to by the member, I assume is happening in the Ottawa area. I meet constantly with the Consumers' Association of Canada in my office. I have been privy to their plans and attitudes in this matter, and that will be reflected in what I bring back to the House.

ART GALLERY OF ONTARIO

Hon. Mr. Baetz: On November 16, the member for Oakwood asked a question. As honourable members know, the Ontario Public Service Employees Union has applied to the Ontario Labour Relations Board for certification as the bargaining agent for employees of the Art Gallery of Ontario.

As honourable members also know, certain matters in respect of that application process have been studied and commented upon by the labour relations board. On November 16, the member for Oakwood implied that the art gallery had spent $30,000 on legal fees to "fight charges to deprive workers of their legal rights."

I agreed to look into this matter. I have now been advised by the Art Gallery of Ontario that in the past five and a half months the art gallery has spent approximately $17,500 on legal fees. Counsel was hired to deal with a number of matters:

First, in that OPSEU has applied for certification, the regular personnel policies and procedures of the gallery have been frozen in accordance with the provisions of the Labour Relations Act.

Among other things, this freeze has meant that until the certification application is decided upon, the art gallery could not hire any new staff. The art gallery's presentation, the Treasures of Tut, has required the short-term hiring of some 300 persons. The art gallery has therefore had to negotiate conditions for contracts for some of those persons with the Ontario Public Service Employees Union and retain legal counsel for this.

Second, it is OPSEU's preferred practice to conduct labour negotiations through legal counsel. It is therefore normal practice for the art gallery to be represented by legal counsel in such negotiations.

Third, legal counsel was required for the drafting of management contracts for management personnel.

I have been assured by the art gallery that it has not spent any money on legal fees to "fight charges to deprive workers of their legal rights," as the member for Oakwood has implied.

Mr. Grande: Then would the minister tell us, or find out for us, who paid the money for the legal fees on behalf of the Art Gallery of Ontario to fight those charges before the labour relations board?

Hon. Mr. Baetz: Once again, I shall check with the management of the art gallery and come back with the details. But I'm under the impression that has been covered under the $17,500 and that it does not constitute union-busting or efforts to stop the negotiations.

LIE DETECTOR TESTS

Mr. B. Newman: Mr. Speaker, I have a question of the Attorney General. As the courts in Ontario cannot convict or acquit an individual through the use of a lie detector or polygraph, and yet lie detectors and voice-stress analysers are said to be used by employers in their selection of employees, and as 19 states in the United States have already banned or limited the use of the polygraph, what has the minister developed in relation to a policy concerning the use of lie detectors?

Hon. Mr. McMurtry: I assume the honourable member is talking about the use of these lie detectors, polygraph machines, in employment situations. I have indicated my concern about the use of these machines in such situations. I have discussed the matter with the Minister of Labour (Mr. Elgie), in whose jurisdiction the matter lies so far as employment is concerned. I really think the question should be directed to the Minister of Labour as to what, if any, action they intend to take at this time.

Mr. B. Newman: Supplementary: Is the minister aware there are serious doubts as to the accuracy of the polygraph or lie detector, as it only measures psychological signs of stress, blood pressure, skin sensitivity? Is he aware that now arriving on the scene are such devices as psychological testing and handwriting analysis and that these are an invasion of privacy? Will the minister develop a policy concerning the use of the other devices, not only in relation to employment?

Hon. Mr. McMurtry: I don't understand the question in relation to these other devices. I indicated some time ago, in response to a question from the honourable member, my own concern with respect to the polygraph. I agree with his observations in relation to the polygraph.

I would be very distressed if anybody's employment depended on a polygraph machine. I would think that would be most unfair. I happened to be involved in an inquiry before I became a member of this Legislature that dealt in some detail with the usefulness of the polygraph machine. I share the member's concerns in that regard and have communicated them to the Ministry of Labour.

I wonder if the member could give me further particulars with respect to this handwriting analysis he speaks of. That hasn't come to my attention before and I would be interested to have further particulars

FILM CENSORSHIP

Mr. M. N. Davison: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. The question regards this government's paternalistic attitude on the question of film censorship. Does the minister not agree the decision to view or not to view films in Ontario is one that should rightly belong to the parents and families in the province, rather than to the state? Therefore, would he not consider, once again, getting rid of the banning and cutting mandate of the censorship board, leaving that board with a mandate to classify films and to issue warnings?

Hon. Mr. Drea: No.

Mr. M. N. Davison: I can't understand the minister's addiction to state control in these matters, Mr. Speaker.

I'd like to ask a supplementary in two parts: Given his opposition to that change, (1) will he make public the working guidelines of the censorship board in Ontario, and also make sure that when the board does cut or ban a film they publicly issue their reasons for doing so; (2) would the minister inform the House as to what action he's decided to take to widen the representation of the board so it more adequately and appropriately reflects the makeup of the citizens of Ontario, especially the question of the domination of that board by people of Anglo-Saxon descent?

Hon. Mr. Drea: Mr. Speaker, I was not aware people of Anglo-Saxon descent posed a significant threat in this province. I must admit that's a new one on me.

Mr. M. N. Davison: We were aware; we talked about it in the minister's estimates.

Hon. Mr. Drea: Not being an Anglo-Saxon, and I assure the member I am not Anglo-Saxon, I haven't regarded them as a threat.

Mr. Conway: Tell us about your Celtic background.

Hon. Mr. Drea: That's right, absolutely right.

I don't know what's going through the mind that produced that form of question—so I'm going to answer it this way, Mr. Speaker, so the House won't become involved in a rather lengthy dialogue, since the bulk of that question was asked in the estimates.

Number one, there will be no changes in the present censorship procedures of the censorship board of Ontario.

Mr. Cassidy: That's shameful.

Hon. Mr. Drea: I will tell the member if he goes out on the street and he says that is shameful he will have to run for cover because the people of this province want censorship in films exactly the way it is being provided.

If the member wants to go out and advocate that we're going to run classification with "O" for obscene or "W" for weird or "P" for pornographic, then the member should just march right outside that door and see what kind of an audience he gets, because, I will tell the member, he is living in a dreamworld.

The people of Ontario, on every occasion where they have been consulted, have made it abundantly plain that they want the present censorship of films and all of the procedures to continue exactly as they are. Therefore there will be no change.

With regard to the final part of the member's question to what I was doing about the composition of the board, I will repeat what I said in my estimates. I've said it on at least two occasions. Broadening the base of the board is constantly on my mind. I am looking for ways to do it. I have taken under advisement a suggestion by the member for Riverdale (Mr. Renwick) as to how to do it. I am looking into the matter, and I think that is a sufficient answer. That is exactly what I said in my estimates some time in the month of October. I don't change.

POLICING OF DETROIT RIVER

Mr. Mancini: I have a question of the Solicitor General, Mr. Speaker. The minister may or may not be aware that during this past summer there were several fatal boating accidents along the Detroit River. A great deal of concern has been expressed by all of the municipalities with waterfront property along the Detroit River that there is not adequate policing on that strip of water.

[11:15]

Would the Solicitor General undertake to form an internal committee of his ministry whereby all the municipalities and the federal government could be contacted? Then it would be possible to set up a proper policing force to handle the traffic on the Detroit River, which is one of the busiest seaways in the world, and hopefully prevent some of the fatalities that occurred over this past summer.

Hon. Mr. McMurtry: The member is correct; I am not aware of those fatalities. As the member appreciates, the jurisdiction in matters of water policing is complex, particularly where there aren't any harbour commissions and where we are talking about an international waterway. The responsibility of the OPP in this area is questionable.

I certainly will look into the matter and report back to the member whether or not there is any useful initiative I can take. I would like to explore the situation before committing myself further.

Mr. B. Newman: Would the minister also look into the possibility of licensing the individual driver of the motorized boat? This would be so that we would not have youngsters at the ages of eight, nine and 10 driving boats through the areas in which there are a substantial number of swimmers and also a fairly large number of boats.

Hon. Mr. McMurtry: I think all the members of the Legislature are concerned about water safety in this regard. There certainly has been a large increase in the number of boats and the boating population has certainly increased considerably in recent years. With respect to the government moving in and requiring all operators to have a licence, this is a move I am not necessarily prepared to support at this time.

I want to make it very clear that I share the member's concern about the reckless use of boats by people of all ages. There is a much larger number of charges being laid. The Criminal Code was amended not so many years ago to provide for a reckless driving section with respect to boating and a number of charges have been laid.

Given our resources, we would like to see increased patrols where the OPP clearly do have jurisdiction, but when it comes to requiring every citizen who operates a boat to have a licence, I am just not prepared at this point to state that is the best way to deal with what is, undoubtedly, a situation that does concern us all.

TELEPHONE RATES

Mr. Isaacs: Mr. Speaker, I have a question for the Minister of Transportation and Communications concerning the Ontario Telephone Service Commission. Is the minister aware that the Community Telephone Company of Ontario Limited serves 21,000 telephone users across Ontario, including many in the Hamilton-Wentworth and Haldimand-Norfolk areas? Given that the federal government provided funding to those who intervened with the CRTC to oppose proposed Bell Canada rate increases, will the minister provide similar funding to those who wish to intervene against the proposed Community Telephone rate increases? The proposed in-

crease will mean almost a doubling of telephone rates for many of those 21,000 telephone users.

Hon. Mr. Snow: Mr. Speaker, I have no intention of providing funds for interveners. There is a normal process almost every year with the 35 or 36 private and municipal telephone companies in the province applying to the Ontario Telephone Service Commission for rate increases or other regulatory matters. It has not been the policy to fund those who wish to appear before the commission and I don't suggest that I am prepared to initiate that type of assistance.

I realize there has been a very large increase applied for by this particular company. Of course, at this moment that is only an application. The commission has not considered that application in any way as yet. I realize that in some areas served by this company there are considerable complaints about the service level. This was discussed at great length at the last hearing when a rate increase was applied for.

MOTIONS

SUPPLEMENTARY ESTIMATES

Hon. Mr. Wells moved that the supplementary estimates of the Ministry of Colleges and Universities be referred to the standing social development committee for consideration within the 17 hours already allocated to that ministry, and that the supplementary estimates of the Ministry of Treasury and Economics be considered by the committee of supply within the 13 hours already allocated for that ministry.

Motion agreed to.

COMMITTEE MEETINGS

Hon. Mr. Wells moved that the standing resources development committee be authorized to meet on the evening of Monday, November 26, 1979, and that the standing administration of justice committee be authorized to meet on the afternoon of Wednesday, November 28, 1979.

Motion agreed to.

INTRODUCTION OF BILLS

COLLECTION AGENCIES AMENDMENT ACT

Mr. M. N. Davison moved first reading of Bill 189, An Act to amend the Collection Agencies Act.

Motion agreed to.

Mr. M. N. Davison: Mr. Speaker, the purpose of this bill is to prohibit collection agencies from collecting amounts for insured services under the Health Insurance Act, 1972, in excess of the amounts payable for this service by the Ontario Health Insurance Plan, except where an agency is provided with an affidavit made by the physician or the medical practitioner, indicating that the debtor was informed in advance that he would be charged for the excess amount.

CONSUMER REPORTING AMENDMENT ACT

Mr. M. N. Davison moved first reading of Bill 190, An Act to amend the Consumer Reporting Act, 1973.

Motion agreed to.

Mr. M. N. Davison: The purpose of this bill is to prohibit consumer reporting agencies from including in a consumer report any information regarding collections or debts owed by a person for amounts charged by a physician or medical practitioner in excess of the amounts payable by the Ontario Health Insurance Plan under the Health Insurance Act, 1972, except where an agency is provided with an affidavit made by the physician or the medical practitioner that he informed the patient in advance.

NOTICE OF DISSATISFACTION

Mr. Isaacs: I rise on a point of order, Mr. Speaker. I wish to give notice that I am not satisfied with the answer given to me today by the Minister of Transportation and Communications and would ask permission to have it raised on Tuesday evening.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF REVENUE (continued)

Hon. Mr. Maeck: Before we enter the debate on the vote dealing with assessments, I would like to inform the members who may not already know that one of the senior members of my staff, with whom I am sure they have dealt on many occasions with regard to assessment, Mr. Pat Gillis, who was my executive director in the assessment division, passed away on Wednesday night. Certainly, we are going to miss him around this building and around the government. I just want to pass the information on to the members that the funeral will be tomorrow morning at 10 o'clock, for those who would like to attend and it's at St. Gregory's Church at 122 Rath-

burn Road at the corner of Kipling Avenue and Rathburn Road in Toronto.

I can't let this opportunity go by without saying how much assistance Mr. Gillis has given to me, as a Minister of Revenue, and I am sure to all of the members of this Legislature, and, to all of the municipalities, the clerks, reeves and councillors who knew Mr. Gillis very well and who have dealt with him over a great period of years. I thought the members would like to be made aware of his passing.

Mr. Nixon: Mr. Chairman, we were very shocked to hear of Mr. Gillis' death. In my case I believe it was yesterday I heard about it.

He really was an extremely useful public servant. I remember just a few months ago when it was decided that certain townships were going to have the benefit of a section 86 reassessment he undertook, I am sure with the minister's concurrence, to be sure the members involved were fully instructed as to its ramifications. I really appreciated that at the time and I felt he approached the job not only with a very broad base of knowledge—probably broader than anybody else in the province—but also with a very good spirit to assist those perhaps less knowledgeable than himself, but obviously with very good humour and with the very best attitude of co-operation.

It's a very sad thing indeed that he has died at such an early age. Not only will we be deprived of his advice and assistance, but we have lost a very good man.

Mr. Charlton: I would just like to make a few brief comments as well. Mr. Gillis was not only a very capable civil servant but was one who provided a very definite and distinct amount of leadership in what's happened in property tax movement in Ontario in the last 15 years or so.

[11:30]

My personal association with Mr. Gillis, both as a civil servant, since I have been here, and as my boss in my former employment created for me a great deal of respect for the man. His loss to this province and to this Legislature and to the Ministry of Revenue I think will be felt in a very significant way.

Mr. Laughren: Mr. Chairman, I can recall some 10 years ago—the minister probably isn't aware of this—I spent a summer working in assessment for the Ministry of Revenue in Sudbury after the province had taken over assessment from municipalities. In those days, as now, when anyone talked about property tax or property tax reform, with all due respect, they never mentioned the names of Terry Russell or Lorne Maeck or any other officials; it was always Pat Gillis.

He was always very helpful. In particular, I can recall the enormous amount of work he did in trying to sort out mining taxes and how mining companies should pay taxes to the municipalities and to the province and so forth. Just the other night I was down at the Ontario mining association function at the Royal York hotel and it had just been announced that Mr. Gillis had died. Several people from the mining industry expressed very great sadness because he had been extremely helpful and very constructive in attempting to sort some order out of that whole question of property taxes that should be paid by mining installations. So it's not any one particular section of Ontario that will miss Mr. Gillis but a great many people in the province.

On vote 804, municipal assessment program:

Mr. B. Newman: Mr. Chairman, on the municipal assessment program, the minister is aware that back about a week or two I wrote him a letter concerning a resolution passed by the city of Windsor council. It asked the minister to reconsider his decision to discontinue the printing of complete and comprehensive property descriptions on the assessment rolls in view of the additional cost and inconvenience this would cause all municipalities. Has the minister reconsidered that or has he some information that he may provide the House at this time?

Hon. Mr. Maeck: Mr. Chairman, that matter is still under consideration. As the member probably knows, we have just recently revamped all of our system and the data that's put on the assessment tapes. We felt at the time that we had all the necessary information there. Indeed, we have more information in most regards than what was there to start with. We have just gone through all of these changes and we really feel the information that's now on the tapes should be sufficient for the municipalities.

I wouldn't be anticipating any changes to our procedure now because we really just made those changes and it has been with the advice of municipalities and so on. We had a committee that worked on that for quite a long time and there was input from the municipalities and other groups dealing with property taxes all the time. We thought we had covered pretty well all the information that would be necessary. As a matter of

fact, we did include more information than was on the original tapes.

The details the member is referring to are not really fresh in my mind. I am not sure exactly what the city of Windsor is requesting, but I think it would be very difficult for me to make a commitment to change the information on the tapes at this point, because of all of the intensive work. It has been a matter of a couple of years. There has been a great amount of intensive work done before we developed our new system and it would be rather difficult now to make changes.

Mr. B. Newman: There's some misapprehension that shouldn't exist with the municipalities. If I may, Mr. Minister, I would like to read this into the record so your officials could look at it and see if the municipality is justified in its complaints. This was a resolution adopted by the city council on October 29 of this year:

"Whereas the Minister of Revenue has decided to discontinue the use of complete and comprehensive property descriptions and, in due course, will also eliminate the depth of property from the assessment rolls which are prepared by the regional assessment office for distribution to municipalities annually;

"And whereas the following major procedures undertaken by municipalities involving the examination of assessment rolls require that detailed property descriptions be available:

"(a) preparation of property lists used by the city departments in connection with zoning amendments, street and alley closings, committee of adjustment applications, improvement areas, local improvement assessments;

"(b) the calculation of local improvement assessments which are determined on the basis of property dimensions;

"(c) responding to requests received by the public, including real estate offices, lawyers, building contractors, investment firms, banks, as well as all municipal departments;

"(d) establishing new polling subdivision boundaries for municipal election purposes;

"(e) determine ownership and property dimensions for weed-cutting charges;

"(f) to ascertain the existence or otherwise of alley or street allowances;

"(g) preparation of petitions for local improvements;

"(h) preparation of petitions for street and alley closings;

"And whereas the only alternative to municipalities is that they prepare Mylar plans which would contain the dimensions of each property in the municipality which would have to be cross-referenced with the assessment rolls;

"And whereas the preparation and updating of these plans by all municipalities would entail a considerable amount of work and in many instances additional staff would be required;

"And whereas all information has in the past been available from the assessment roll and in the future will require an examination of both the assessment roll and the plan prepared by the municipality;

"And whereas the additional cost to the municipality to gather and update this information does not appear to be justified when it is now available at the regional assessment office, but not printed on the assessment rolls;

"Therefore, be it resolved that the Minister of Revenue be asked to reconsider his ministry's decision to discontinue the printing of complete and comprehensive property descriptions on the assessment rolls, in view of the additional cost and inconvenience this would cause to all municipalities."

That is the extent of the resolution, Mr. Minister.

Hon. Mr. Maeck: The gist of the whole thing seems to be that the city of Windsor feels we already have the information and we are just not putting it on the assessment rolls. I will look into that situation to see if there is a possible way of doing it, but I would warn the member that the responsibility of the Ministry of Revenue and the assessment division is not to correct all of the situations that the municipality is concerned with, but to assess for property tax purposes. We could extend our services way beyond our mandate by getting all kinds of information that is not related to property taxes.

While we want to co-operate with the municipalities as much as we can, there has to be a cutoff point on the amount of information we gather, because we don't have a mandate to go beyond assessing property for taxation purposes. Municipalities can use much of the information we gather for our needs and we are certainly prepared to give it to them, but we really don't want to extend our program beyond what we are supposed to be doing in order to facilitate some other needs.

I will look at it, however, and if it is the case we do already have the information and it is only a matter of putting it on the rolls, if that is possible certainly I will consider it.

Mr. B. Newman: The ministry has provided the municipalities with all of that in the past, I assume, so it is simply a matter of continuing the policy you had.

Hon. Mr. Maeck: That's true, except, as the member knows, on the assessment rolls there is only so much room to print things. While we have added other information which was necessary for assessment purposes, we may need the space on the assessment roll for that purpose rather than for information that really is not relevant to assessment or property taxes. But we will look at it.

Mr. B. Newman: If the municipality has to do something that has already been done by your offices, why have the taxpayers got to pay twice for the information requested?

Mr. Isaacs: Mr. Chairman, I want to raise two items with the minister. The first concerns section 86 reassessments—and I'll be very brief because we've covered a lot of this ground before.

In recent weeks I've been meeting with many elected and appointed municipal officials, discussing the matter of section 86. It's coming before them again now—those who have opted for the study—and they are being faced with a difficult decision.

I think it's fair to say that almost without exception municipalities are considering a section 86, not because they regard it as putting in place a tax system which is any more fair or any more sensible, but because of the problem of assessment appeals by large property owners, both multiresidential and, in some cases, industrial and commercial as well. It seems to me that to go through this process and to have a new section 86 system of assessment in place in a municipality, with all the hassles that that entails and all the problems it creates for the residential and commercial taxpayers within that municipality, simply to deal with the matter of assessment appeals is a very complex and not very reasonable way to proceed, especially since it now appears that for 1981 we'll be moving into some new system which may or may not require a section 86.

I seek the minister's response to that. It bothers me greatly that it's being done for completely the wrong reasons.

Second; on section 86 there seems to be some difficulty facing municipal councils when they are considering now whether or not to proceed with that reassessment for next year. They are being given advice—and I'm not sure whether it's from staff of the minister or whether it's from the municipal solicitors out there—that if the meeting is held in the open and if they decide that they do not wish to proceed with the section 86 reassessment, then the municipality may be subject to very expensive and serious lawsuits.

It seems to me that because they have not proceeded the appeals will then have a ground on which they can go to the assessment appeal and have their taxes reduced very, very substantially because the municipality didn't implement section 86. This would undoubtedly result in action by the municipality to try to recover its lost taxes in some other way. It would have to go to the courts.

It seems to me that it's very unfortunate—if the advice the municipalities are getting is indeed correct and I have a hunch it probably is—that the system is forcing municipal councils to conduct very important business in closed meetings and to refusing to give the people who elected them the reasons for whatever decision they make. I really cannot support that; I would appreciate your response to it.

I would hope that your staff and yourself can advise municipalities of a way around that problem so that a council's decision as to whether or not to proceed with section 86 can be held in an open meeting so the citizens of that municipality can know what the municipal council is doing and why it is doing it.

One final matter on section 86: we now have a situation within counties and regions where some municipalities within the same upper-tier municipality have opted for section 86 and some have not. Even if all municipalities within the upper tier had opted for section 86 the factors applied to each class of property will be different from one municipality to another; that seems to me to be increasing the inequity in terms of the apportionment of regional or county costs.

[11:45]

It means that in one municipality residential taxpayers may be paying on the basis of 20 per cent of their market value for their share of regional or county costs. In another municipality in the same region, because of the buffering of the equalization factors which comes into this as well they may only be paying 15 per cent on their market value for the apportionment of regional or county costs. Thus there is inequity within the upper-tier municipalities.

It seems to me you might want to consider whether section 86 should not have been done across an entire upper-tier municipality

rather than being kept at the lower tier. I recognize the legislation doesn't presently permit that, but I wonder whether that is something you have been looking at.

My other two questions relate to the new equalization factor. I am still very confused as to why we got into the difficult situation we are in. The only argument I have heard that makes any sense at all is the law required the new equalization factor. Yet in my perhaps overly simplistic way of looking at things —although I don't think it is—it seems to me we are here to make the law and if it became apparent to you and to your staff that the new equalization factors were going to create a very serious problem, as they have done, why weren't we asked to change the law so we could avoid the mess we are now into?

It seems to me to be very clear, after talking to the municipal representatives, that while the new equalization factors may be better for some and worse for others than what we had before, when viewed as a whole the system is no more fair and equitable—and in fact for some may be less fair and less equitable—than the factors we had in the past.

It is agreed they were unfair. There is no doubt about it. But I'm not convinced the new factors, with the new buffering and everything else that is wrapped up into the package now that the disaster or near disaster has occurred, are any better than what we had before.

I would appreciate your response to that. I believe you recognize that and I believe your colleague, the Minister of Intergovernmental Affairs (Mr. Wells), recognizes that too. I assume that is why we have a commitment for a new system for 1981. But I would appreciate confirmation of my beliefs and I would appreciate any further clarification you may be able to give us. I know you were not able to give my colleague from Hamilton Mountain (Mr. Charlton) too much on Monday, but if you have some further clarification about the kind of thing we can expect in 1981, whether it be a completely new property tax structure or whether it is to be more tinkering with what we have got, I would appreciate that kind of clarification.

Hon. Mr. Maeck: Mr. Chairman, I will deal with the items as the member has brought them up.

He first spoke about section 86 and he talked about the fact he didn't feel section 86 was any more fair than it was before we started the exercise and it was only there to accommodate the matter of the loss of assessment appeals.

I do not deny that is one of the reasons the municipalities are requesting section 86, but it certainly is not the only reason. Certainly, when we are finished with this section 86 exercise, there is a lot more equity and fairness within the property classes than there was before we began. To state it very simply, if in a municipality there are two houses valued at $50,000, I believe each one of those property tax payers should pay the same amount of tax.

That isn't what was happening in those municipalities which are already under section 86 and those who have requested it. Our investigations and the program itself have revealed there were some grave inequities, not just with residences but with commercial buildings, industrial buildings and so on, and there were many inequities and a lot of unfairness out in those municipalities.

I don't think it's quite right to say the only reason municipalities have asked for section 86 is because of the fact they were losing appeals. However, that follows as well. If there are inequities they are bound to lose the appeals because the appeals are based on what other people are paying for similar property in that same vicinity. If they're losing appeals it's very obvious something is out of whack with the assessment. If it's out of whack, it's unfair. I just want to clarify that I don't agree with the member's idea about it being only because of the loss of appeals.

The member indicated it was being done for the wrong reasons. I think it's being done for the right reasons—to get some equity within those property classes so people who are paying their taxes are going to pay the same amount for property of the same value in that municipality.

The member was also concerned about the presentation on section 86 to the municipalities. I have instructed my staff to go whichever way the municipality requests. If the municipality requests the impact study information in camera, that's the way it would be given. I would prefer it to be public and we do suggest that to the municipalities. But we don't want to dictate to them.

I think the other thing the member was concerned about may be a little bit of a misinterpretation of what has been going on. To explain it in detail, if a municipality were to ask us during the impact study presentation for the names and addresses of each resident and each property owner and the amount their taxes would go up or down, then later, should the municipality reject the application of section 86, that information would then be public. Then everyone whose taxes were going to go down would, obviously,

next year appeal their taxes based on this information and the shift would take place through the courts instead of through the program.

When we talk about that aspect I think that's what we're referring to. We do not give the details of each property—as to the names, the addresses and so on—because we want to leave the municipalities the freedom to make their own choice, based on what the impact will be in general terms.

I don't know if the member has seen an impact study; I'm sure he probably has and knows the detail that's in it. It doesn't list each property.

My concern is if we go beyond that with the municipalities—and some municipalities have asked to know how it is going to affect each property individually in the municipality—if the municipalities demand this kind of information they had also better be prepared to implement section 86, because the appeals the following year will do it for them anyway. Then it would only bog down the courts. That's the danger of giving detailed information.

Maybe that's the kind of thing the member has been hearing from councils. I'm not sure, but it probably is.

The member talked about the inequities between the upper-tier municipalities because some are under section 86 and some are not; some are based on a certain percentage of the assessment, while others are based on a different percentage. I really think he must have been referring to lower-tier municipalities, rather than upper. I would think he is talking about the municipalities within a region, so it would be really the lower-tier municipalities.

That is the reason we have equalization factors. The purpose of the factor is to equalize those differences. If we were on 100 per cent market value assessment throughout the province we wouldn't need the factor. But the factor is developed to account for those differences in percentages of assessment in each municipality within that region. That's the reason they're there.

The other thing the member talked about was the equalization factors themselves. As I said earlier, we have developed those factors using the same act and the same criteria from which the old factors were developed. What they do is reflect the changes in assessment during that nine-year period when they were frozen from 1970 to 1979.

It's very difficult to develop a different factor if there are going to be adjustments made if we feel it's unfair. I'm one who probably does feel if we went to the raw factors it would be very unfair—the kind of burden imposed upon the small rural municipalities particularly. I don't think anybody in this House wants to see that kind of burden. That is why the Ministry of Intergovernmental Affairs and the Ministry of Education announced the other phasing-in type program with the five per cent and 10 per cent raises in grants for the school boards in the municipalities.

I have to reiterate that my responsibility as the Minister of Revenue is to develop the factors. There are not too many municipalities complaining about the factors themselves. They know the factors are developed properly under the act and they're not complaining about the factors themselves. What they're concerned about is what those factors do and the shifts they create.

As I said earlier in the debate, the ministries of Intergovernmental Affairs, Education, Treasury and Economics and others are looking to find some sort of equitable program for 1981. We have announced only the phasing-in program and the adjustment for 1980.

Hopefully, those answers will be forthcoming. I would like to see them come as quickly as possible because I understand the municipalities have to plan for the future and they want to know where they're going. I can understand why they're upset about not knowing what's going to happen beyond 1980. So I hope the ministries involved will move in that direction as quickly as possible and get some information on it to the municipalities.

That pretty well answers the inquiries the member made.

Mr. Isaacs: I have one minor comment. Yes, I appreciate the minister's answers. It certainly provides an answer although I may disagree with him in certain areas.

On section 86, the minister indicated that section provides more equity within classes. I don't dispute that, but I would suggest that in many cases it provides less equity between classes. It may well be that under the old system, by accident and not by design, a commercial property worth $100,000 was assessed the same as a residential property with the market value of $100,000, but when you implement section 86, that disappears.

I agree it would only be by chance that situation would arise, but you move from a system that may or may not have some equity in it by chance to one that has equity for certain groups but not for people within different groups. I don't see that as any big improvement at all, but I think that's some-

what of a difference of opinion and I'll leave it at that.

Hon. Mr. Maeck: I would like to make a very brief reply. It will not mean less equity between the classes, because when we do the section 86 exercise part of it is that each class will have the same total amount of assessment as before we started. So we're not permitting any shift at all between classes. They're not going up or down; they have the same amount of assessment in each class when we're finished as they did when we started. So it doesn't allow any shift. It's purposely that way because, as I'm sure the member realizes, if we went to 100 per cent market value and allowed the shifts that would take place in each class, residential property taxes in Ontario might go up as high as double what they are now. Of course none of us can permit that to happen. That's why I feel rather comfortable with section 86; we're not allowing those shifts to take place.

It's not the final answer, but at least I think it's a much better situation than those municipalities had before we started.

Mr. Gaunt: There is one matter I wanted to raise briefly with the minister, Mr. Chairman. It's a matter we've discussed on numerous occasions. My friend the minister has been most co-operative in dealing with this situation. I just wanted to ask a question and get his view with respect to this whole matter of the assessment procedure on mobile homes.

[12:00]

In my area, we are having a little difficulty with this. I should mention to the minister that we have a number of mobile home parks which have sprung up, mainly because of Douglas Point. The great influx of construction workers, a lot of whom have opted for this type of housing, certainly has caused a greater than normal problem in this regard in so far as the assessment procedures that apply to mobile homes are concerned.

The minister has indicated that under the definition of land in the Assessment Act, once a mobile home is installed on a piece of property and services are provided, for property tax and assessment purposes the unit becomes part of the land and consequently is assessed, with the land, to the owner. That is quite correct. The minister suggested there was really no relief under the Assessment Act, although there may be under the Municipal Act if a municipality wanted to pass a bylaw enabling it to enter the names of the tenants on the tax collectors roll. The taxes could then be payable by the tenant under the terms of the lease.

Until now the municipality hasn't been inclined to do that; in fact it has resisted doing so and a constituent of mine is still left with the problem. There is a further problem because of the new landlord and tenant legislation and its implications, whereby a landlord is locked into the six per cent. Where the tax increases go beyond that then it does create a problem, particularly in terms of the interim tax bill.

In this case the owner of the mobile home park has to pay an interim tax bill without knowing what his final bill is going to be, so all he can do is guess at the amount. If he guesses wrong he is going to have to carry the can, so to speak, for the additional amount for that period, until he is able to get it back from his tenants.

I understand he may apply to the commission; he may be able to estimate those tax increases over and above the six per cent and hope the commission would be sympathetic to his case based on, perhaps a past record of what he had been paying as far as the interim and final tax bills were concerned.

My question to the minister really is does he anticipate, when he brings in his tax reform package—whenever, if and when—there will be any thought that the definition of land under the Assessment Act would be changed to take into account these problems being experienced by my constituents, and I am sure by many other people who are owners of mobile home parks in this province?

Hon. Mr. Maeck: Mr. Chairman, the problem outlined by the member for Huron-Bruce is one I have had inquiries about from other members as well.

The major problem, of course, is that municipalities do not want to pass that bylaw. The simple fact is that mobile homes are mobile. It is fine to assess someone who is leasing or renting a space in a mobile home area as long as the person stays there, but they are mobile and they can move. That is why the municipalities leave it to the owner of the property to assess these taxes from those people.

I can very well understand that, and I can very well understand why a municipality would be very hesitant to go the other route. That is not to say all people in mobile homes are crooks by any means; but they are easily moved, they can be moved overnight. When they are gone, who pays the taxes?

It is possible, I suppose, that municipalities could pass a bylaw under which they could assess, but in the final analysis if they weren't paid the owner would then be responsible. However, that is something that could be looked at.

I think at one time the whole matter of property tax reform was addressed, as were some of these problems, by the commissions which sat. I think mobile homes were discussed. I don't think any final decision was taken on it; it is a problem we really have to look at again. When we bring in a package, if it happens to be the type of package I think most members would like to see and that is total property tax reform—whether we can ever develop one that is acceptable to all members of the House is rather difficult to say—but if we go that route perhaps this is one area that should be looked at again.

I understand the difficulties of your constituent. You and I have already agreed to sit down and discuss it with your constituent, but in this case there aren't any easy answers. The municipality, of course, wants to collect taxes on the property. They are going to collect them from the person they know is going to be there and the person they can hold responsible.

You and I had a discussion about condominiums, but really you can't compare condominiums with mobile homes because condominiums stay in the same location all the time. They are registered in the registry office under a legal registration to the owner. I am not too familiar with the Condominium Act, but I understand they jointly own the land on which the building sits. It is all in their deed, it is all registered.

The mobile homes are much more difficult to administer. Perhaps something could be done in the area I suggested whereby a municipality could pass a bylaw that if a person moved and didn't pay, in the final analysis the owner of the property would be responsible. That might be the direction to go.

Mr. Gaunt: Just to respond to that, Mr. Chairman, in this case the owner has already indicated he would be quite prepared to assume that responsibility. He has indicated if the township would put the names of the tenants on the tax collector's roll, in the event one of them did leave without paying his or her taxes he would ultimately be responsible. He is quite prepared to accept that responsibility—willingly, gladly—as long as he can overcome the main burden with which he is saddled at the moment, given the condition we have described.

It seems to me where you have a person such as we have in this instance—and I am sure most owners are this way; very sincere, very dedicated to providing a service to that community and to the people in his mobile home park. He runs a good operation; I have never had one complaint from any tenant of a home park operated by my constituent, Mr. Cormier, never. I did get one complaint having to do with the entrance to the mobile home park, but that was because of the road superintendent who overlooked grading the entrance in the spring and it became a real problem to get into the home park. But that was readily rectified and that is the only complaint I have ever had.

Under these conditions, where you have a person who is providing this kind of service and who is prepared to do everything reasonable to accommodate the people and the township, it seems to me unfortunate that he can't get some relief for the financial burden with which he is faced; perhaps we can work it out somehow.

Hon. Mr. Maeck: I was just talking to my staff while you were speaking. The suggestion I made regarding the tenants being assessed and the owner of the land being responsible finally if they didn't pay would pose no problems for our assessors at all, or our ministry; but I guess we would have to check with the Minister of Intergovernmental Affairs (Mr. Wells), who administers the Municipal Act, to see whether that type of thing is permissible under their act. I'd be happy to have our staff look into that before we meet with your constituent so we would have that information.

Mr. Germa: Mr. Chairman, could I bring to the minister's attention complaints that I have received, and I think they are quite widespread across northern Ontario, having to do with Ministry of Natural Resources policy to allow cottage owners to purchase their lot which was formerly leased. The lease entered into some years ago was at an annual rental of 10 per cent of the assessed value. New evaluations are now coming through and this poses difficulties.

One problem that came to my attention was a person who had a lease and was paying $180 a year rent. This was 10 per cent of the assessed value, which was $1,800. That lease is about four or five years old. It has a 10-year life, but the change of the government's policy has given him the option to purchase. The price now coming through on the new assessed value is four times higher than what it was when the original lease was entered into.

For instance, this $1,800 assessed value four years ago is now coming through at about $8,000. These people feel they are being put in a corner in that they have an investment. There have been improvements put on that lot to the tune of $20,000, so in order to protect the $20,000 of building improvements they now must expend $8,000; or conversely, continue with the lease to the end of 10 years, and then at the end of the 10 years they will have to pay a rental of 10 per cent of the new assessed value which would equal $800 in this case.

I know land values have gone up in four years, but have they increased to the tune of 400 per cent in that time? I think either the values were wrong four years ago or they are wrong now. I don't know which end of the stick is wrong, but certainly they don't balance out.

I also am aware that in the last lottery draw in the district of Sudbury, only last June, 32 lots were drawn and they sold or were leased at an assessed value between $2,200 and $3,000. These people who are now getting the figure of $8,000 know what happened last June when these lots went for less than $3,000.

Obviously there are wide discrepencies; I wonder if the minister could bring some light on the subject and tell us where we are as far as cottage lot assessments are concerned.

[12:15]

Hon. Mr. Maeck: Mr. Chairman, this is a matter I have discussed with the Provincial Secretary for Resources Development (Mr. Brunelle) and others who have experienced the same problem you are talking about. I think in some cases the people who are doing the appraisals or the assessments are looking at the lot today after a considerable amount of work has been done to improve the appearance of it, as compared to the time it was first leased to the lessee as raw land, probably with no work done. Obviously when you look at it after they have brushed it out, cleaned it up and done all of these things it looks more valuable.

I don't think they should be including that. They shouldn't be including any improvements the owner or the lessee has made in the value of that lot. I think that is high, if they are being assessed at $8,000 up in your area; although I don't expect they should still be assessed at $1,800, I don't think that's reasonable to expect.

I have just been told by my staff that our ministry is doing the assessment on this. I wasn't aware we did the appraisals as well, but apparently they are taking our assessment as an appraisal, is that right? If that's the case I will instruct my staff to look again. The story you are telling me indicates to me the assessment could be high.

I will ask our staff to look at it again with a view to being a little more realistic; bearing in mind of course the other part of the statement you made about the lots that were put up for auction; did you say they went for $2,200 in that vicinity? Those would be raw lots, I suppose, they wouldn't be lots that had any work whatsoever done on them. Would they be lots that had roads leading to them or would they be water lots? I wonder if the member could advise me on that?

Mr. Germa: The particular problem I was posing to the minister was in the Espanola area where these assessments are coming through at that rate. I compared the price there, but the lots in the Sudbury district would be more desirable on account of their proximity. Despite that, the lot in the Espanola area was coming through at the high price; further the lot I was talking about was accessible by water only, so there were no improvements whatsoever in that regard. Of the other 32 lots, I am not aware whether or not they had highway access or whether there was strictly access by water.

Hon. Mr. Maeck: We will certainly look into it and see if there are some adjustments that can be made, because the way the honourable member has presented it to me it appears to me our appraisals may be high. This is where complications arise. We assess at market value, or a percentage thereof, but we take into consideration all of the improvements that have been put on the property. It may be that Natural Resources should be reverting it back to the status it had before the lessee or owner improved it, maybe that's where the problem lies. I will certainly look into it. I think there are some problems there that have to be resolved.

Mr. Charlton: Mr. Chairman, the minister will recall that during my opening statement and during my comments last Monday, we got into a rather lengthy discussion about leadership and about where we are going from here with property taxation. I would like to get into that a little bit again today.

Just before I do that, though, I would like to make some comments to the minister about some of the things he said earlier about section 86 and try to relate that to some of the things I have said. As I have said in the past, I understand and I agree there are some improvements that result from section 86. The minister made it quite clear this morning that the losses munic-

ipalities were suffering in the review courts indicated the inequities that existed in the current system, and that is quite correct. Obviously, if the system is equitable and fair people don't win appeals.

That raises the question, though, of what losses in appeals in an area that was done on section 86 this year indicate about how far we have gone towards real equity with section 86. I don't have current Hamilton figures with me, I didn't intend to raise this until I heard his comments this morning, but early in September I got the figures in Hamilton, when they were approximately halfway through the appeal process. They had about 8,000 appeals this year. They had not yet heard any of the major appeals, the major commercial, industrial or apartment appeals.

Most of what they had heard at that point were residential appeals and small business appeals, the less complicated appeals that were also a lot smaller in terms of assessment dollars, and therefore in terms of losses in assessment dollars per appeal. At that stage we had already lost, in Hamilton, half as much as we had lost last year under the old system.

I suppose my point is simply that section 86 has some value, but that it is not in any way, shape or form what we are looking for in terms of real, effective fair and equitable property tax reform in this province. I haven't been over what has happened since September—although I could make some good guesses. I suppose—but I had a look at some of the kinds of things that were being lost in those appeals. I guess what it really boils down to is when you take something that is imperfect, as in a very inequitable assessment system, and try to match it to something that is supposed to be at least more perfect, as in relative market value, you still have a lot of problems left over.

I think the minister is going to find in the appeal process—and it will vary from area to area obviously—that after section 86 the assessment review boards will still to a fairly large degree reflect a fairly substantial number of inequities existing in the system. I think the appeal courts will reflect that this year, next year and the year after.

For example, I think what is happening in Hamilton with residential and land appeals will set some precedents that will win additional appeals next year, which is the same kind of process that was going on under the old system. It may not be quite as substantial in extent, there may be some improvements, but I think you will find there is still a fairly substantial number of inequities in the system. I will leave that, but it is just something I would like the minister to think seriously about and have a serious look at.

I want to get back on to the leadership thing. I think the minister may have taken some of my earlier comments a little too personally and perhaps even some of his staff did. I want to try to make the kind of thing that I was talking about a little clearer. I have piles of file folders all over my desk today, most of them filled with newspaper clippings.

In Ontario we probably get somewhere between 10 and 15 times more publicity about the property tax sectors than on all the other taxes in this country put together. That indicates to me there is not only a very serious resentment by the public, but very serious misunderstanding and a very serious lack of knowledge. To all intents and purposes there is very little if any, valuable leadership from this government, not just from the Ministry of Revenue but from Treasury, Intergovernmental Affairs, and Education—leadership in the sense of involving the opposition members of this Legislature, the other members of the government party, and the public in the process of working towards property tax reform.

When we consider other jurisdictions in this country, British Columbia, for example, there is no question in my mind that the system they went to in 1974 is imperfect; it has its problems, it didn't solve all of the problems in the property tax sector. They went to a system very similar to that which the minister is attempting to do, in a voluntary way under section 86. They went to it province-wide though.

They are confronted with the same kinds of problems we have here in Ontario; the same kinds of public reactions, the same kinds of shifts in property value, I would imagine. Obviously there was some extra ingredient. There have been other places, not necessarily in Canada, but in the United States that we've all read about and that the assessment staff in the ministry use as examples or refer to in comments when they're briefing assessment staff on certain matters.

In all of those other jurisdictions, all of the kinds of problems that we're confronted with here, existed—to a greater or lesser degree. Those problems existed as they exist for us. The difference seems to be that there was some ingredient in those jurisdictions

which allowed them to proceed—an ingredient which for some reason we don't seem to have here. I suppose I'm suggesting that in large measure that ingredient has to be leadership.

The minister and I have discussed the assessment situation on a number of occasions, perhaps more frequently than we sometimes like to remember, and his staff have been through it a hundred times more frequently than he has. We've discussed the fact that he has difficulty talking to or selling anything regarding assessments and property tax reform to the government caucus and to the cabinet.

We've also discussed the fact that both opposition parties have the same problem and lack of understanding, in terms of what we've been presented with to date, of understanding in an effective and useful way and of where we should be going from here.

The minister knows there aren't more than two or three people in this House who really have a useful feel for the kind of things that are going on in assessment and property taxation—maybe as many as five, but that would be pushing it.

[12:30]

Since we've been at this game for 10 or 15 years now—I guess probably closer to 15 if you take into account the time we spent studying before we jumped—that indicates to me a lack of leadership.

There should be by this point not only a universal understanding in here of what is going on—what we are confronted with and precisely what the problems are that we have to solve—but there should be a reasonably good understanding out there in the public after the reams and reams of publicity we have had on this topic. Yet not only are we really no closer to effective, fair, province-wide property tax reform than we were 10 years ago, we are no closer to having the people to whom we should be talking about it understanding not only the problems we are faced with but the direction we have to head in in order to find some answers.

That is what I was getting at, I suppose to the largest degree, when I was talking about leadership. There is no question the staff in the assessment division are competent and understand what they are doing. There is no question that your staff met regularly with Treasury staff or Education staff or Intergovernmental Affairs staff and pass things back and forth and discuss them. That's not what I'm talking about as leadership. That's not what I'm talking about as input either, because the system is far bigger than a four-ministry interrelationship.

The system includes this Legislature and the system includes all of the property taxpayers in the province. One thing for certain, you would have real difficulty finding a property taxpayer in this province who would say they can see any real leadership on the part of this government in sorting out the property tax sector.

I think that's true even for the members of this House. If all this misunderstanding and mistrust about property tax reform exists among members you would have a difficult time finding members on your own side or on this side who could honestly say they can see any real leadership. Again I am not talking about leadership in terms of understanding and expertise on the part of your staff. I am talking about the kind of political leadership that is required to go any further than what we have gone.

That, I suppose, is why I felt I had to go through this thing again so that the minister might more clearly understand what I was getting at. I have suggested to the minister a number of times over the last couple of years a number of things which I felt had to happen before we would really make any serious progress. Yet still none of those things have happened.

The minister has been particularly open and useful in his relationship with me as a critic, and probably the same is true for the Liberal critic—I don't know if that is true but I would imagine it is. The minister has been helpful to me and I think even on occasion I have been helpful to the minister, but that's not going to solve our problems in terms of property tax reform because the minister and I can sit down and discuss things reasonably openly.

I suggested two years ago to the minister that before we could get over the hump, the rut that we are in in terms of property tax reform, there had to be some reasonably good understanding in this Legislature. As I have already suggested I think even more than that, we've got to go beyond that and effectively go out to the public. This place is a good place to start, yet, we've made no progress in terms of the members of this Legislature and I think it's time. Although I have a reasonably good understanding of what's been happening and what goes on—I talk to the minister regularly, and I even talk to fairly substantial numbers of his staff regularly since I still have acquaintances in the ministry—even I don't have a good overall sense, because I don't have the data. I don't have the access to it, nor do the Liberals, nor

do most of the people in the Conservative caucus.

As I suggested two years ago, I think it's time we, as a Legislature, made a commitment to get on with the job. It's time the government made a commitment, the minister made a commitment, the Treasurer made a commitment, and the Minister of Intergovernmental Affairs made a commitent that we would sit down together to teach each other and to help each other to work towards the solution. It isn't going to happen unless we do. I think as time goes on, you are becoming more and more aware of that.

I'm raising it again today because I raised it two years ago when you were new and perhaps not as familiar with the roadblocks that confront us as you are now. I raise it again because before we can effectively do anything, we have to pass this hurdle. The minister has to pass the hurdle in his own party. Each of us over here has to pass the hurdles with our fellow members in terms of finding an acceptable package.

You talk about packages, and we've been talking about packages, but we're no closer to anybody understanding what should even be in the final package to make it acceptable. We've got to get beyond this stage, and part of that process has to be leadership. Part of that process has to be somebody providing the leadership in this House so we can sit down and understand what it is we're up against and what it is we're doing to try to overcome that. I don't see it happening.

For these reasons—because your ministry is the place where the expertise exists, or at least should exist, and I believe it does exist—to that degree I have to level the criticism at you. I understand the bind you're in; I understand the Treasurer has certain policy responsibilities, and I understand the Minister of Intergovernmental Affairs and the Minister of Education have a fair stake in this as well. At some point we have to get beyond the stage we're at, and I think that has to be done through co-operation, through information, through consultation and questioning.

I suppose what I'm doing is pleading with the minister so at some point in the very near future we can get over these horrendous piles of newspaper stories on property taxes, all of which reflect a very serious understanding of the whole system and all of which never seem to improve in terms of their view of that tax structure.

Vote 804 agreed to.

Mr. Deputy Chairman: That completes the estimates of the Ministry of Revenue.

On motion by Hon. Mr. Wells, the committee of supply reported certain resolutions.

CONCURRENCE IN SUPPLY

Resolution for supply for the following ministry was concurred in by the House:

Office of the Provincial Auditor.

The House adjourned at 12:41 p.m.

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No. 117

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Monday, November 26, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, NOVEMBER 26, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

PQ WHITE PAPER

Hon. Mr. Wells: Mr. Speaker, it has been about three weeks since the government of Quebec presented its long-awaited white paper on sovereignty-association.

This House will recall the Premier of this province (Mr. Davis) has already spoken for this government in expressing our fundamental disagreement with the white paper proposals regarding sovereignty-association. I am sure, Mr. Speaker, you were glad, as I was glad, to see the views that were expressed here were endorsed by the Leader of the Opposition in this House (Mr. S. Smith) and by the leader of the third party (Mr. Cassidy).

I hope this statement today, made on behalf of the government, will make clear to members and other Ontarians the specific reasons why sovereignty-association is not in our best interests or in their best interests, and why this government will continue to reject any notion of negotiating such an arrangement with the government of Quebec.

It seems to us that the white paper is based on three fundamental misconceptions.

First, the white paper asserts the only choices facing Quebeckers in terms of their relationship with Canada are either sovereignty-association or the status quo. This, of course, is just not so. Virtually all governments in Canada, provincial and federal, are in a realistic mood to renew federalism and are seriously prepared to accommodate many contemporary interests—some regional, some economic, some social, some linguistic and cultural.

Second, the white paper says it is directed exclusively to Quebeckers, but it is not merely a blueprint for Quebec. It is a blueprint for Ontario and indeed for the whole of Canada, and it is not an acceptable one. This is our country the white paper is proposing to divide. Moreover, if there are advantages for the people of Quebec in its proposals, and this I would say is indeed a very big "if," there are unquestionably some very large disadvantages for the people of Ontario and the rest of Canada.

Third, the white paper states sovereignty and association are inseparable. Logically, then, if economic association cannot be achieved, the whole proposition should crumble. However, the paper refuses to come to this conclusion. Therefore, we can only conclude that sovereignty itself, the political independence of Quebec, is the ultimate goal the white paper is pursuing.

In addition to these basic criticisms, we note that the white paper is a smooth piece of political persuasion, written by Quebeckers to appeal to Quebeckers and, of course, pro-Quebec all the way. However, this approach provides a too-simple analysis of a very complex problem.

Possibly the most obvious aspect of the proposal for sovereignty-association, which Ontarians and other Canadians should note, is the implicit assumption in the white paper that Canadians outside Quebec will calmly accept the dismemberment of their country and will then sit down willingly and work out economic arrangements with the very government that caused the rupture in the first place. Ontarians have worked closely with Quebeckers, as have their governments, on many matters of common concern to us, as Canadians, over the years. Even though we would continue to be geographic neighbours, it would be naive to expect the same spirit of co-operation would automatically continue.

We believe we speak for the vast majority of Ontario residents when we say no kind of separation of Quebec from Canada could be amicable. The Parti Quebecois is fooling itself if it believes that life would be "business as usual" after such a drastic event. Ontarians are not unemotional when challenged on matters about which they care deeply, such as their country.

Even if it were possible to overcome these deep emotions, we would have to ask ourselves if sovereignty-association were attractive in terms of the political and economic interests of Ontario. The answer, we say, is a clear no.

There are 10 provincial partners in Confederation, each with varying populations and economic strengths, but 10 partners

nonetheless. At the intergovernmental conference table, everybody has an equal voice. The white paper would make representation 50:50—50 per cent Quebec and 50 per cent all the rest of Canada. The attraction of such an arrangement to Quebec is obvious, but there is no attraction to Ontario. Nothing would compel us to accept. Yet that is exactly what the white paper concludes. It does so because it makes, I think, two very debatable assumptions.

First, it assumes that political relationships must be based almost exclusively on linguistic and cultural communities. The proposal for an economic association of two politically independent states then flows from this assumption. The definition of political units and relationships has to take into consideration social and economic interests, as well as those which are linguistic and cultural.

Second, the white paper compounds this error by downplaying the real differences in economic and other interests that exist among Canadians outside Quebec. The current debate over oil and gas pricing is but one example of the significance of these differences. According to the white paper, Ontario and the eight other provinces, with the government of Canada, are expected to resolve any differences among them and come up with a single Canadian position. This position would then have to be further compromised to accommodate Quebec's interests.

Even if our concerns regarding our interests could be overcome, which they cannot, we would have to ask ourselves whether the particular proposals put forward by the white paper make practical sense. In our view, the answer is, again, no, because the white paper sets out a model of economic association that simply will not work. The proposed new joint institutions, such as the community council and the commission on experts, are a recipe for deadlock, indecision and disastrous delay. Policies could not be determined if the two governments could not agree. There would be stalemate in the absence of any authoritative institution to resolve such policy disputes.

The authors of the white paper try to meet this objection by suggesting that in spite of the political and legal equality of the two governments in the economic association, in practice, one or the other would exercise predominant influence on particular issues. Asbestos is put forward as an example of an issue where the Quebec partner would likely predominate, whereas an example of a concern where the Canadian partner would lead is wheat.

Yet, elsewhere in the white paper, the wheat and grain policy is cited as an issue where the present federal system has allegedly discriminated against Quebec's interests. If the white paper's authors believe their own analysis, we must doubt that the Canadian partner would be permitted to have the major influence over wheat policy.

If the potential for conflict is so apparent in an area where the white paper already concedes predominance to one partner, the difficulties that could arise over truly contentious matters such as tariff policy or transportation priorities are obvious. In each case there would be no mechanism to settle any disagreement or to break any deadlock.

The white paper also tries to anticipate this objection with regard to the joint monetary authority. Each partner is represented on the authority in proportion to the relative size of its economy. This would mean the Canadian partner would have majority representation.

According to the white paper, this would pose no problem because the monetary policy interests of Canada and Quebec would not differ to any significant degree. Yet only a few months ago, in its blueprint for the Quebec economy entitled Batir le Quebec (Challenges for Quebec), the Quebec government was highly critical of current federal monetary policy because of its orientation towards the problems of inflation and the exchange rate. We question how the white paper's proposed solution would resolve such differences.

If differences in policy exist now, surely we can expect that they will arise in the future. If so, how long will the Quebec partner be willing to play second fiddle on the monetary authority? If it demands equality, how will policy differences between the partners be settled?

The emotional atmosphere surrounding the political rupture of Canada would ensure that no Ontario government would be inclined to negotiate sovereignty-association. In any event, it would not be in our interests to do so, and the proposal, as it has been put forward before us, simply will not work. On this basis of workability alone, we might rest our case.

However, the white paper appeals to Quebeckers to make a critical decision, but in doing so, it does not put all the salient facts before them. It is unclear on far too many issues, it is one-sided on others, and it simply ignores still others.

The white paper claims that federal policy has regularly disregarded Quebec's interests, citing as an example the auto pact. This claim simply ignores the fact that the auto industry was established in Ontario long before the auto pact. Moreover, its concentration in our province had little to do with government policy, federal or provincial. Rather, its presence here is explained by our geographical proximity to the focus of this industry in the United States. There is nothing about sovereignty-association that would change this reality.

The white paper implies that Quebec alone has been the champion of respect for provincial responsibilities within the federal system. One need only consider Ontario's leadership with regard to deconditionalizing several of the major shared-cost programs, and with regard to disentangling federal and provincial responsibilities, to determine that Quebec has rarely, if ever, been alone in this regard. Readers would never know from the white paper about the increase in flexibility the provinces have now obtained, for example, as a result of the Established Programs Financing Act which came into effect in 1977.

The white paper says nothing about how the fiscal transfers from the federal government to Quebec will be replaced. Transfers for this fiscal year to the Quebec government alone are projected to be $4.9 billion. Add to this the estimated $1.6 billion to be paid to Quebec workers by the Unemployment Insurance Commission and the $1.4 billion oil parity payments on behalf of Quebec consumers.

Federal funds for these purposes are obviously raised in Quebec as well as in other provinces, but such payments as a whole amount to a net transfer to Quebec of wealth created elsewhere in Canada. We share willingly now because it is our obligation as fellow citizens. We must ask if this obligation would be consistent with the existence of two politically separate countries.

The white paper contrives to picture federalism as an inflexible, uncompromising system of government. However, the distinct Canada and Quebec pension plans, the different approaches Quebec takes to family allowances, the opting-out provisions of the major shared-cost programs, and the federal-Quebec immigration agreement are all examples of how particular Quebec interests have been accommodated within the federal system.

The white paper proposes in one breath that sovereignty-association include broad mobility of goods, capital, labour and services, and in the next breath it speaks of introducing exemptions in such areas as agriculture, investment and categories of labour. If Quebec is to be allowed such exceptions, it must also expect that the Canadian partner will put forward its list of exceptions. We fear the association would soon be one in name only.

[2:15]

Finally, the white paper is highly selective in its use of statistics. For example, it states that Quebec has 0.9 miles of railways per 1,000 population against Ontario's 1.2. The implication is that Quebec has somehow been discriminated against. However, it is easy to find statistics that prove exactly the opposite point.

Consider the fact that Quebec has 4.8 railway workers per 1,000 population, whereas Ontario has only 3.7. Or consider that in Montreal, both major railways maintain commuter services without federal or provincial assistance, whereas in Toronto, the Ontario government has been obliged to finance its own GO commuter bus and rail service. We do not believe it would be logical to conclude from these examples that Confederation has been a bad deal for Ontario, or for Quebec.

In sum, there is nothing compelling in the white paper itself or in the arguments put forward by its proponents that could lead to the conclusion that Ontario would enter into an economic association with a separate Quebec state. It would amount not to a new deal but a bad deal for all.

This government is convinced we can achieve within federalism new and fair arrangements. This is the only constructive course for Canada. This conviction is not new to the government of Ontario. In November 1977 the Premier spoke to the members of the Task Force on Canadian Unity here in Toronto. He reasserted to them his view that a wide range of constitutional change was necessary, that what the circumstances demanded was, in effect, a new constitution.

During the past few years, the government of Ontario has specifically supported constitutional change on the following matters:

1. Measures to eliminate barriers to the free flow of people, goods and services across the country so as to enhance the economic ties within Confederation;

2. A more precise definition of the essential powers needed by the federal government to run the national economy;

3. A clearer provincial responsibility in social and cultural matters, such as family law and cable communications;

4. The clarification of provincial ownership and legislative powers over natural resources;

5. A clear commitment to the enlargement of regional economic opportunities as a goal of Confederation and as a test of national policies;

6. Provisions that would allow for more flexibility in certain areas of jurisdiction so that some provinces, such as Quebec, could take on more responsibilities than the others if they so desired;

7. A provincial role in determining where the federal spending power could be exercised in areas directly affecting the provinces;

8. The entrenchment of the fundamental and democratic rights of Canadians;

9. The recognition of English and French as the two official languages of Canada, including the entrenchment of the right to minority language education in all provinces;

10. The reform of existing national institutions, such as the Senate, to allow for the fuller expression of regional or provincial interests;

11. Provincial participation in the appointment of judges to the Supreme Court of Canada, and

12. Patriation of the constitution and a relatively flexible formula for constitutional amendment.

I think this list clearly illustrates the breadth and scope of our commitment, and indicates without reservation that this province believes Canada's constituent parts can be strengthened, while the country as a whole can be kept most effective on those matters of concern to us all.

I think it also needs to be said we are not alone in our commitment to change. Among the constitutional proposals being considered today, British Columbia, Saskatchewan, Nova Scotia, Newfoundland—indeed, virtually all of the provinces—have put forward their ideas for change to reflect more effectively what each regards as Canada's current needs and interests.

Another significant contribution to the process of constitutional reform has been the report of the Task Force on Canadian Unity. It is inaccurate to state, as does the white paper, that the report has been shelved in the rest of the country. To the contrary, the main tenor of its recommendations is clearly representative of concerns expressed in many parts of Canada and is reflected in the intergovernmental discussions on the constitution.

We recognize fully the task force's conclusion that any renewed federal arrangements must acknowledge both the regional and dual elements in this country's makeup, and must ensure that we have a federal government that can speak for Canada on matters of national importance.

Furthermore, Quebec federalists are now in the process of preparing their proposals for constitutional change in Canada. We look forward to these proposals, as I know all members of the House do, as an important contribution to the debate and as a thoughtful basis for serious discussion.

Our real choice as Canadians, as Jean-Luc Pepin and John Robarts so aptly put it, is a future together. It is the choice of continuing to work together to share a common future within a renewed Canadian federation.

We will not always agree; we will not always have our particular interests realized; we will not always get our own way. But we will continue to experience success and adversity together, sharing our advantages when we have them and being helped by our co-citizens when we are in need.

The challenge we face is working together within Confederation. This is the common purpose we all should now pursue.

Mr. Breithaupt: Point of order, Mr. Speaker: with respect to the tabling of a compendium of background information, as rule 26(c) suggests should occur after the making of a statement, can the minister advise if such a compendium will be tabled? Also, can he say whether or not it will include any results of public opinion polls that have been commissioned with respect to the subject matters referred to in the statement?

Hon. Mr. Wells: Mr. Speaker, it was my understanding and belief that the compendium required for this statement was the Quebec white paper. That has been sent to all the members of this House. This statement was prepared without the use of any particular public opinion polls.

ALGOMA CHILDREN'S AID SOCIETY

Mr. Wildman: Mr. Speaker, I want to raise a point of personal privilege arising from comments made by the Minister of Community and Social Services about my position on the children's aid society strike in Sault Ste. Marie and Algoma. This is a situation that has degenerated to the point where, according to the Sault Ste. Marie Star, the Ontario Humane Society has had to provide food for two neglected children

because the CAS could not respond to their needs.

These comments by the minister were quoted in Friday's edition of the Sault Star. In response to a question of a reporter about the position of the Canadian Union of Public Employees, Local 1880, that the minister's advice to the Algoma CAS board to hire outside social workers constitutes strike-breaking, Mr. Norton stated I had taken the same position in this House. He tried to leave the impression I am opposed to his carrying out his mandate to protect the children at risk.

In fact, I have repeatedly stated in this House and elsewhere that the minister and the CAS were not fulfilling their respective mandates during this dispute, which has been prolonged by the use of outside workers. I've stated they should use the funds used for these outside workers to bring about a resolution of the dispute and to get the striking workers back to work, protecting children at risk rather than having their needs met by an agency like the humane society.

Hon. Mr. Norton: Mr. Speaker, I may be incorrect, and if I am, I apologize to the honourable member but my recollection is that the honourable member has, on occasion in this House, made reference to the role of my ministry in providing support assistance to ensure the children's aid society in Algoma was able to minimize the risk to which children might be exposed during the period of this labour dispute.

My comment to the press was simply that if it was felt our actions were inappropriate, there was an alternative open to the honourable member. That was that he could take action to relieve me of my responsibility under the act by introducing a private member's bill that would have that effect in terms of amending the legislation. That comment was made in response, as I recall it, to his raising a very serious concern about the role of the ministry in providing some assistance to this children's aid society so they might meet their obligations.

With respect, specifically, to his reference to the involvement of the humane society, that was a story that was brought to my attention. It seems to me there were some very serious inaccuracies in the specific case to which the newspaper article referred and the one in which the Canadian Union of Public Employees' administrator from that area communicated to me on Friday, I believe, by telegram.

It is my information that during the time the report was made to the children's aid society, on two occasions within one week children's aid society workers visited those children in that family and on neither occasion did they find the children to be in need, abandoned or without food. I believe it was subsequent to those two visits then that the principal of one of the schools in the area—I don't know whether he had feedback indicating those two visits had taken place—but apparently a call was placed to the humane society asking it to check to see whether the pets were being adequately fed. That then gave rise to the visits from the humane society.

But there was not a lack of response from the children's aid society. In fact, I am told there were two visits within less than a week following the report.

SUPERMARKET PRICING AND CHECKOUT SYSTEMS

Mr. Swart: On a point of privilege, Mr. Speaker: It concerns comments made by the Minister of Consumer and Commercial Relations last Friday. I realize he is not in his seat today but I believe it is incumbent upon me to bring it before the House at the first opportunity.

During the question period last Friday, the Minister of Consumer and Commercial Relations (Mr. Drea) said, in referring to Loblaws' instituting universal product codes, that if it were not for his sharing his information with this party in the estimates of his ministry we would never have found out about it. Then he quoted me as saying to him in the justice committee, where his estimates were dealt with, and I quote from last Friday's Instant Hansard: "I thank you very much. I would never have known about it."

Knowing I did not make such a statement, I have examined the justice committee Hansard for the whole period during his estimates. It contains no such remarks by me whatsoever. In view of this and the many previous misstatements made by this minister, I ask the Speaker to direct the minister to withdraw his statement last Friday falsely attributing those comments to me.

Mr. Speaker: I'm sure the honourable minister will be made aware of the member's alleged point of privilege.

An hon. member: Alleged?

Mr. Speaker: I haven't heard the other side of the story.

VISITORS

Mr. Speaker: I would like to draw to the attention of honourable members, the pres-

ence of two distinguished guests in our gallery. We have the Honourable Howard Pawley, Leader of the Opposition in Manitoba. I don't know whether they're talking to one another, but under the Speaker's gallery is the Very Reverend Donald M. Malinowski who is the member of the Legislative Assembly for Point Douglas in Manitoba.

ORAL QUESTIONS

HYDRO RATES

Mr. S. Smith: I have a question of the Minister of Energy. The minister has undoubtedly by now reviewed the Ontario Energy Board report on Ontario Hydro's bulk power rates for 1980. Since the board's function in these matters is advisory rather than regulatory, can the minister tell us whether he has approved these rate increases, which will amount to some 16.4 per cent on January 1?

Hon. Mr. Welch: As the Leader of the Opposition knows, it's not a question as to whether the Minister of Energy approves. The procedures were followed with respect to this whole operation. Ontario Hydro has proceeded accordingly and has accepted the recommendations and the advice of the Ontario Energy Board with respect to some modifications.

[2:30]

Mr. S. Smith: Supplementary, Mr. Speaker: Since it would appear the minister feels powerless to influence the course of these rates and is quite prepared to accept what the energy board does—although one of his predecessors, the now president of Union Gas, didn't take matters quite so lightly in his term—I would ask specifically whether the minister is prepared to accept the suggestion repeatedly made by the member for Grey-Bruce (Mr. Sargent) of a life-line concept, whereby the people buying a certain basic, fundamental amount of electrical energy for a residence can receive that at the cheapest rate, rather than the way it is now where the first most-fundamental amount is charged at the most expensive rate and the more you use the less you pay per unit.

Is the minister prepared, at the very least, to do that, so the people who need just the fundamental amount of energy this winter will be able to get the cheaper rate and not have to pay at the most expensive rate?

Hon. Mr. Welch: Mr. Speaker, as I get to the question I was actually asked, I didn't particularly appreciate the comments that were made prior to putting the supplementary question. It would come as no surprise to the Leader of the Opposition to learn the present minister feels the law is to be followed and the system, which of course was introduced by this government as a very important feature for the determination of rates by Hydro, provides for a full review of those particular rates.

Second, the Leader of the Opposition also knows we are awaiting a very complete study on the whole question of the costing of electricity. Once I, as the minister, have that particular study and the recommendations contained therein, I will perhaps be in a much better position to comment on it, along with the suggestions to which the Leader of the Opposition has made reference.

Mr. MacDonald: Mr. Speaker, since part of the report of the Ontario Energy Board is an acceptance of the proposals of Ontario Hydro that henceforth the profits from export sales will not be used to cushion the impact to the consumer, has the government accepted that? Or will the government reconsider it so the Ontario consumers, who have to carry the burden of an excessively large system, will at least have the cushion of the export from that excessive generation capacity?

Hon. Mr. Welch: Mr. Speaker, the government hasn't accepted that particular recommendation as yet, as the honourable member has indicated.

Certainly the whole question of Hydro rates will be the subject matter of fairly intensive review once we have the reports to which I have made reference, and indeed, we have the benefit of the advice and the recommendations that are contained in the report of the Ontario Energy Board.

Mr. Nixon: Mr. Speaker, surely the minister recalls, does he not, that the rates were rolled back at the behest of a select committee's recommendation made to the Minister of Energy, which is the area referred to by my colleague, the leader of the party. Would he not agree this five to six per cent of the increase is as a result of the end of the Anti-Inflation Board mandate, and that since the Anti-Inflation Board directives have returned $250 million in reduced rates to the consumers it would be reasonable and sensible for him as Minister of Energy to approve only an increase equivalent to the cost of living increase during this last year?

Hon. Mr. Welch: Mr. Speaker, the honourable member knows it doesn't lie with the Minister of Energy to make such a de-

cision. The procedures are quite public; Ontario Hydro presents its case, it makes all the evidence available and it is referred to the Ontario Energy Board. Hearings are held and, indeed, as a result, recommendations are made to which Hydro responds. The honourable member knows it was Hydro that accepted the recommendation of the select committee.

Mr. MacDonald: Mr. Speaker, the minister indicates the government hasn't come to a conclusion with regard to this aspect of the report on use of the profits for export sale. Will he be making a decision on that within the next few weeks so it can apply for the next calendar year and, it is hoped, cushion the increase to the consumers?

Hon. Mr. Welch: I don't see that as coming as any particular relief as far as the upcoming calendar year is concerned. I indicated to the honourable member that obviously would be taken into account when we review the whole question of the cost of electricity, which, as he knows, is the subject matter of a fairly intensive study.

Mr. Speaker: Final supplementary.

Mr. S. Smith: Given that the government of Ontario feels it can't do much about the higher oil prices its Tory friends in Ottawa are landing on us; given that it thinks it can't do anything or doesn't want to do anything about the higher interest rates we are getting from its friends in Ottawa, and given that this is something that is within provincial jurisdiction, why does the minister once again plead impotence on this matter—although he does it very convincingly, I may say—when he knows full well it is within the power of the cabinet in Ontario to make it clear to Ontario Hydro to roll back such an increase if it so desires?

Hon. Mr. Welch: Mr. Speaker, I would think the Leader of the Opposition would share in the pride which is ours in this province to have electrical power provided at cost to the consumers of the province.

Hon. Mr. Davis: Lowest anywhere in North America, with the exception of Quebec.

Hon. Mr. Welch: If after all these reviews we have established the cost of providing that—and indeed as the leader of this government points out, at the lowest cost of any jurisdiction in North America, with the exception of the province of Quebec—then surely to goodness if there is to be any change in that policy it has to be paid in some way, and obviously the Leader of the Opposition is advocating that we take money from the consolidated revenue fund to subsidize these rates.

Interjections.

Mr. S. Smith: Mr. Speaker, it is not every day one is given advice on borrowing oneself into bankruptcy from the world's expert on that matter.

Mr. Speaker: Is that your supplementary? Would the Premier agree?

INTERMEDIATE CAPACITY TRANSIT SYSTEM

Mr. S. Smith: I will ask a question of the Premier in the absence of the Minister of Transportation and Communications (Mr. Snow). The Premier may be aware that earlier this month the minister was quoted in the Globe and Mail as saying that more public dollars will have to be invested in the Urban Transportation Development Corporation's intermediate capacity system in order to prevent this experiment from becoming something of a white elephant.

I want to ask first of all whether the province intends to invest any more taxpayers' dollars into the ICTS project in Kingston; and if so, how much does the province intend to so invest?

Hon. Mr. Davis: Mr. Speaker, I was just checking monthly residential electrical bills. Toronto is the lowest on the list, with the exception of—

Mr. Speaker: That wasn't the question.

Ms. Gigantes: What about your rural rates?

Hon. Mr. Davis: I will give them to you compared to any rural customers anywhere.

Mr. Speaker: Order. The question dealt with transportation.

Hon. Mr. Davis: I was really trying to get around to the transportation cost of kilowatts in the rural areas. which compares favourably with any other rural jurisdiction. But I won't do that, Mr. Speaker.

As regards the question on the UTDC, Mr. Speaker, I think the Minister of Transportation and Communications was asked this question a few days ago.

Mr. S. Smith: No, he wasn't.

Hon. Mr. Davis: With great respect, he was asked a question similar to it. He was asked about an article that appeared in the Toronto Star. I think that is the article you are referring to.

Mr. S. Smith: That is totally different.

Hon. Mr. Davis: Well, all right, so it is totally different. I sense a similarity because I was here when the question was asked. If the Leader of the Opposition says it was

totally different, I will accept his view that it is totally different. Now I may proceed to answer the question on the assumption that I think there is a great similarity.

The Minister of Transportation and Communications indicated that the UTDC experiment in Kingston had been singularly successful. My recollection is there was an interjection from the member, one behind the Leader of the Opposition, when the Minister of Transportation and Communications reminded him just how effusive he was in his compliments to UTDC when he was visiting Kingston. That is my recollection of the discussion.

The minister pointed out that there were two proposals before the government of Canada: the possibility of having one prototype system in the city of Hamilton and one in the city of Toronto. The minister stated in his answer, which was contained in an interview that I know of—perhaps it was a different one—where he indicated that this participation was necessary for the next phase of the UTDC experimentation.

We have not yet heard from the government of Canada as to whether or not they will participate in either one or both of those particular prototype suggestions. Our hope is that they will, at which time we will be in a position to inform the members of the House just what the financial obligations will be.

It is the expectation that this possible service in Hamilton and/or perhaps in the city of Toronto, would be the kind of experiment that would make it possible for people from other jurisdictions to view this in an operating situation. I would also report to the members of the House, dealing with the Urban Transportation Development Corporation, that the minister raised this with the Japanese officials. They are quite interested and some extensive discussions are going on at this moment between them and UTDC regarding the licensing arrangements in Japan.

Mr. S. Smith: By way of supplementary, I take it then that more provincial dollars will be put into this. I ask the Premier, is he aware of the fact that when the program was announced in April 1975, it was clearly stated that the last two phases, which are the ones he's talking about now, "are expected to be undertaken by the private sector," and that's a quote from the introductory document at the time? Now the Premier says we are dependent upon federal money if this is to carry on.

The federal government was never asked to make any commitment when this was started, when this was undertaken, when $61 million were invested. Why doesn't the Premier admit right now that he's looking to be bailed out by the federal government, in this instance, in order to make this $61 million waste of money possibly pay off, and to take it off his hands because it is a notorious failure?

Hon. Mr. Davis: Mr. Speaker, the Leader of the Opposition always likes to look at the negative side of just about everything in life. I don't expect him to be any different on this particular issue although I find it totally inconsistent with his speeches about research and development, more Canadian participation and all of the rest of it. His point of view on this is just totally contrary to those things he says on other occasions, as is the case on so many issues.

I would make it quite clear that the initial documents indicated the manufacturing part of this facility will be done by the private sector, and this will still be the case if it does proceed. We do not intend to get into the fabrication of vehicles. We do not intend to get into the manufacturing of the command and control systems or the linear induction motors.

I think it is also fair to state, and I hope even the Leader of the Opposition would understand this, that if there is to be a customer for this, which is an experimental or a prototype situation in this province, the customer is bound to be some level of government. So, if it proceeds, the purchaser obviously is going to be partially the city of Hamilton, partially Metropolitan Toronto, and we anticipate, if it does go ahead, the government of Canada will see its way clear to participating in it.

The manufacturing will be done by the private sector, but quite obviously, the public sector has to be involved because it is the public sector that will be the purchaser.

Mr. Cunningham: I would like to ask the Premier if he is in a position to report to the House about the prospective customers, say, in North America alone, to which the UTDC might sell their wares. Are we successful at this point in any contracts? What is going on? Is there any status report? Are we selling anything?

Hon. Mr. Davis: Mr. Speaker, I think it would be more appropriate for the Minister of Transportation and Communications to answer that question. I will give my own guess. There have been representatives from a number of communities who have been to the Kingston site, to look at the hardware, to look at how the system functions.

I think it is fair to state there is some genuine interest. I think it is important to realize and this is why the ministry is involved in discussions with the government of Canada, that a lot of potential purchasers are looking to see an operating system functioning. This is why the next phase is to be some development, probably in Hamilton, perhaps even in Metropolitan Toronto, where the system can be installed and operated and, in this way, to demonstrate its potential to possible purchasers.

I happen to know there is a great deal of interest, not only in the United States, but elsewhere. My guess is, if there is an interest in Japan it will not be in the export of hardware.

Quite obviously, it would be done by way of a licensing agreement and the fabrication of the vehicles would be done, as is the case in so many other situations, in the jurisdiction where the system is being purchased. But even if it is only the export of the technology or by way of licensing, this, in turn, will repay certain dividends to the people of this province. I would think, as is not now the attitude of the members opposite, they really should be somewhat excited and interested in the potential of this experiment.

Mr. Philip: Supplementary: Can the Premier tell us who, specifically, in any elected office in Metropolitan Toronto has actually shown an interest in this system? Or is Metropolitan Toronto going to be persuaded, for the interests of the government, to go along with the system or to buy a system in which all elected representatives I have talked to have said they are not interested?

[2:45]

Hon. Mr. Davis: I don't think there has been any formal discussion. There have been informal discussions I know with some members of the TTC. They are aware of it. They know the possible location of this, but we are not moving ahead with it until we get some answer from Ottawa as to whether they will share in this or not. The community that has expressed an interest and a fairly committed interest—in fact, it has gone a fair piece down the road—is the city of Hamilton.

If the government of Canada says it can only fund one, since the city of Hamilton is there and wants it done, then that is probably the place where it will happen. I would just hope some consideration would be given to having it done in both places, but it may be Hamilton and not Metropolitan Toronto.

PQ WHITE PAPER

Mr. Cassidy: I have a question for the Minister of Intergovernmental Affairs arising out of his statement today on the question of sovereignty-association. I would welcome the fact that the minister took a rather softer tone than the Premier's because he is undoubtedly aware of the very negative reaction in Quebec to the original statement three weeks ago.

Could the minister say what new proposals the government intends to make that may be attractive to Quebeckers in the current constitutional debate and thereby aid the chance they will vote for federalism in the referendum when it comes up in the new year?

Hon. Mr. Wells: I think this statement outlines about 12 of the positions we have taken. Some of them have nearly reached fruition in the continuing committee of ministers; others are still in the discussion stages. The itemizing of them here is meant to show to the people of Quebec we do believe in a renewed federalism and that there are within these 12 items, and certainly others we are willing to look at, the opportunity to renew the constitution.

They are spelled out here. As I say here, the next step is probably to find out what position is put forward by the committee that will be opposing a "yes" vote in the referendum. They will be putting out a statement soon. When we see what they are putting forward, we will then be able to offer some comments on those particular positions and see how they mesh with the particular position we have put here.

I should say there is no inconsistency between my statement and the statement issued by the Premier. I think the Premier in his statement indicated his initial response was to set out very clearly no negotiation of sovereignty-association and some of the dire effects of it. I thing it was universally hailed across this province as a strong statement, expressing the wishes of, I would say, about 90 per cent of the people of Ontario including all parties in this House which I heard applaud it very strongly. I think that is a very significant thing.

This statement today is a follow-up in more specific terms of what we really meant. I want to stress to my friend there is no inconsistency between these two statements at all.

Mr. Cassidy: Since members of this party want to make it very clear we don't believe either that the people of this province would ever agree to sovereignty-association as a

new basis for the country, but since we also feel it's important to talk in a civilized and positive tone with the people of Quebec, could the minister say whether the government intends to make some new proposals with relation to recognizing the linguistic and cultural community in Quebec? Would he not agree that Ontario should be making positive proposals in that particular direction, rather than simply waiting to react to the statements, first, by the Parti Quebecois and then, subsequently, by the "no" committee in a few weeks' time?

Hon. Mr. Wells: Without getting into a long discussion on all the proposals, let me just give the member one example. We have made positive proposals. Well over a year and a half ago or perhaps even two years ago, the Premier indicated this province was in favour of a constitutional amendment to guarantee minority language rights in education. We have again emphasized that in this paper. We have stressed it at various meetings. To this date, that proposal has been, I think on all occasions, opposed by the present government of Quebec. It has been opposed, as they opposed entrenchment as proposed by the federal government in Bill C-60, as I recall. As one example, we have very consistently and positively put forward that as something that should be in a new constitution, something which we think would benefit the people of Quebec, Ontario and all of Canada.

Mr. Sweeney: Supplementary: Is it any wonder that the province of Quebec reacted the way they did, with respect to the protection of language rights, when they see what you have done in places like Penetang?

Hon. Mr. Wells: That really is a very unfair question because I want to tell the honourable member that the ministers of education—the council of ministers—as part of the minority language education debate, were asked to do a survey across Canada of minority language education in all the provinces. That survey was done and presented to all the first ministers.

That report showed that in Ontario practically everyone who declared French as his mother tongue and wanted French-language education, was getting it, so much so that I recall—and I hope I am not breaking a confidence—the Premier of Quebec looked at it and said, "I didn't realize this was happening in Ontario."

We said, "We told you this, and we have told you this many times, and we have told the people of Quebec."

"Well," he said, "we didn't really believe it."

The fact is that as far as Penetang and other places are concerned, this province guarantees one's schooling in French if it is a minority language, is one's mother tongue, and there are 20 or more pupils in secondary school. The law in this province guarantees one will get that education.

Mr. Sweeney: In an English-language school.

Hon. Mr. Wells: It guarantees one will get that education. I suggest that we all recognize the concern and certainly I recognize very deeply the concern that some have for an individual building. At some times, such as in Essex, there is a need for the building; in others the need is for a viable French-language school entity. That is what the possibilities are.

Mr. Samis: Supplementary: Could the minister tell us what communication, if any, his office has had with the Leader of the Opposition in Quebec in the formulation of his position? Second, can we expect a public statement once that position is announced?

Hon. Mr. Wells: We have regular ongoing discussions with staff who are working to develop the positions of the umbrella group, the "vote no" group, in Quebec. As soon as their paper is presented we will be able to assess it, and then we will be able to comment on it.

It is very difficult to comment on something when you don't know what the details of it will be, but I must say they have shown great interest in both reports of the Ontario advisory committee; they found those reports were very helpful. I think the publication of what comes out of Quebec is going to be very helpful, but we must wait for it and then we will comment on it.

Mr. Cassidy: Final supplementary: Since the government is keeping itself in contact with the work done by the committees on both sides in Quebec, and since some members over here are doing the same thing as well, would the government not now commit itself to agree to the proposals that have come from the member for Lakeshore (Mr. Lawlor) and the member for Riverdale (Mr. Renwick)? Would the government agree that before Christmas this House will establish a small select committee which will inquire publicly into the questions around the future of the country, and the constitutional proposals now on the table, so that we can bring the public into our confidence in this discussion in Ontario?

Hon. Mr. Wells: I think we debated this during private members' hour at one point, and I think the pros and cons have been put

forward on this. I think we have to have a debate in this House, but it seemed to be the agreement that, because the referendum is now going to be held in June, the time for that debate will probably be early in the new session.

I want to reiterate that the facilities that were available before to all of us are still available. Certainly the staff of my ministry and any of the advisory committee, or anyone else, is available to help any caucus group which wishes to study and have available any of the papers that are available on the constitution, the Quebec white paper, or the referendum. Everything is available, and they will be glad to help the honourable members in carrying out their own studies over the next couple of months.

NIAGARA ESCARPMENT DEVELOPMENT

Mr. Cassidy: Mr. Speaker, I have a question for the Premier. In view of the commitment which was reiterated by the Provincial Secretary for Resources Development (Mr. Brunelle) last week that the Niagara Escarpment is a unique area and that we should have no fear, the area will be preserved, can the Premier explain why no money has been spent by the government this year to acquire land in the escarpment area? Could he say how the escarpment commission can continue to refuse development permits if it has no funds to acquire lands which are of high priority?

Hon. Mr. Davis: My memory, once again, is subject to correction, but I think a question similar to that was asked last Thursday or Friday. I think the Provincial Secretary for Resources Development gave—if not the honourable member, some member of his caucus—an answer to that particular question. If the member will review Hansard he will find it there.

However, I will ask the Minister of Natural Resources (Mr. Auld) to give the members of the House a bit of an update on the numbers of acres acquired, et cetera. I think it should also be pointed out to the leader of the New Democratic Party that to a certain extent purchases relate to the commission's final report. That report is now final, except that it is subject to the hearings going on.

I can only repeat what the Provincial Secretary for Resources Development said; we intend to move ahead with certain property acquisitions. I think it is also fair to state that we have various priorities in front of us when we have to find moneys to allocate for the new hospital the Minister of Health (Mr. Timbrell) is announcing in Mississauga and the potential of an addition to the Peel Memorial Hospital in Brampton—all of those other things that the honourable member likes to talk about, depending on just which subject interests him on a particular day. Our task over here is to sort out the priorities and I think it's fair to state that we cannot afford to do all of these things at the same time.

I'm delighted to see the leader of the New Democratic Party has broadened his vision, even modestly, from the provision of medical services to the acquisition of land in the escarpment commission area.

Mr. Cassidy: Supplementary: Since the Niagara Escarpment Commission states in its plan proposals that action is needed on priority areas in Tobermory by the time that the official plan or review process or the hearings have been completed; and since there's now an application by Angus Ralph pending before the escarpment commission to start building a marina in the south end of Russel Island near Tobermory—in the number one priority area for acquisition as laid out by the escarpment commission—will the Premier undertake that the funds be provided for that acquisition this year rather than putting the commission into a position where it has no choice but to agree to that development?

Hon. Mr. Davis: With great respect, Mr. Speaker, the commission does have a choice. The leader of the New Democratic Party may not understand that, but the commission does have a choice. I think what the commission is saying is that they feel it is unfair—and I happen to agree with this—to say to the owner of a parcel of land that could be used for the public domain that we can't buy it yet, but we won't issue a permit. This is where it is always very difficult to reconcile the public interest with the private interest.

I would say, once again, to the leader of the New Democratic Party that we do not have sufficient capital moneys to do all of the things that are essential. I cannot give a commitment there will be moneys for this particular acquisition, except to say, as the Provincial Secretary for Resources Development said to him on either Thursday or Friday in answer to a similar question, "There will be capital funds in 1980-81." Exactly where they will be spent in the commission area, I can't tell the honourable member.

I want to reiterate, though, to that very distinguished member, that I'm delighted to hear him talk about land acquisition. We intend to build a few hospitals. When we allocate money for hospitals I don't want him coming back here saying we should have

spent it in the Niagara Escarpment Commission area.

Mr. Cassidy: Final supplementary: Bearing in mind that only $12,000 was spent on land acquisition in the escarpment last year and that not a nickel has been spent this year; and bearing in mind that at that rate it would take about 35,000 years for the commission to acquire the land that has been recommended in this plan; would the Premier not agree that the lack of funds for the commission threatens the escarpment plan, either because priority areas will be lost to development, or because public support of the plan will be irretrievably undermined because of the impact on land owners who can neither develop their land nor sell priority-area land to the commission?

[3:00]

Hon. Mr. Davis: Once again, I am delighted today: the leader of the New Democratic Party actually recognizes there are certain individual rights in land. I find that a refreshing change.

I am informed there is actually in this year's budget $1 million allocated for purchases within the escarpment area. My guess is some of that will be spent before the end of the fiscal year. I can assure the leader of the New Democratic Party we will not be waiting the number of years he suggests. He won't be around to make that determination and neither shall I.

I would just reiterate, when his party keeps pressing us for the expenditure of public funds for land acquisition in the Niagara Escarpment initiated by this government, we will do a fair amount. But we cannot do that and all of the other things those members mention to us seven days a week. I just hope the next time they are talking to a health group they will remind them they have been pressing us to spend money on land in the escarpment area at the same time as they are trying to tell them they are not getting enough for their hospitals.

Mr. Cassidy: A point of privilege, Mr. Speaker.

Mr. Speaker: Which one of your privileges is being abrogated?

Mr. Cassidy: My privilege to have correct information from the government, Mr. Speaker. Only $36,000 was allocated for land acquisition in the estimates for the Ministry of Natural Resources this year.

GROUP HOME FUNDING

Mr. G. I. Miller: I have a question for the Minister of Community and Social Services in regard to the Haldimand Association for the Mentally Retarded, which is trying to provide a group home in the town of Dunnville for mentally retarded adults.

In view of the fact the association has a piece of property that is properly zoned and was approved by the Ontario Municipal Board in July 1979, and in view of the fact that the ministry indicated funding would be available in 1978, will the minister now give consideration to providing funding to that group home in Haldimand?

Hon. Mr. Norton: I think it would be more correct to say the society has two properties, both of which are properly zoned, on one of which there is presently a residence which would, I believe, be zoned for occupancy by up to five adults. On the other there is no structure at the present time, but it is zoned such that it could be, if transferred into the association's ownership, a site for building a group home.

I have indicated to the members of that association and also, I believe, to the municipal representatives with whom I met a couple of weeks ago, together with the honourable member, that I would welcome a proposal from the association for the mentally retarded with respect to the second piece of property. If they wish to make such a proposal, the procedure for doing that involves going to the district working group. I have indicated to them there would not be money in our budget this year, but if they were to proceed immediately through the district working group we would be able to consider their application in establishing the priorities for next year's expenditures.

In the meantime, I recognize they do have a property which is appropriately zoned now for five adults and there is nothing I could do to change their intention one way or the other with respect to whether they would proceed with that. I understand they have no legal restrictions upon their proceeding with that one immediately.

Mr. G. I. Miller: Supplementary: I wonder if the minister is aware that plans are going ahead for the home despite objections from the town of Dunnville and the region? I think the community would work more close together if funding was made available. Does the minister not agree?

Hon. Mr. Norton: Mr. Speaker, I am not sure what the question was.

CORRECTIONAL SERVICES DISPUTE

Mr. Mackenzie: I have a question for the Chairman, Management Board of Cabinet.

In view of the fact that employees of the Ministry of Correctional Services have been requesting a separate bargaining unit category for at least five years, a request backed by Judge Shapiro in the Royal Commission on the Toronto Jail and Custodial Services, can the minister consider a very positive and much appreciated move to improve the labour relations climate by permitting the establishment of a separate bargaining category for these employees?

Hon. Mr. McCague: Mr. Speaker, we have had representation from the union over the years to have a separate category for correctional officers. This has been resisted. The main reason we have resisted it is that over that period of time we have had other requests to set up categories for what might have been smaller groups. We feel there would be a proliferation of the bargaining system if we set up a group for everyone who asked for it.

Judge Shapiro, in his remarks to the royal commission on the Toronto jail, did mention this subject. He did say in his report they should be granted a separate category, if that's what is necessary to set up a different pay scale for them. We don't feel it's necessary to have a separate group in order to have a separate pay scale. In fact, in some small way we have recognized that in previous settlements.

Mr. Mackenzie: Supplementary, Mr. Speaker: given the total agreement with the workers involved, the lack of any real affinity between the hospital workers and the correctional workers in that unit and the fact that a separation does exist in many other jurisdictions, does the minister not understand the depth of feeling of those involved and the merit of the request to defuse a touchy situation? If he does understand that—and I think the minister may—is this ministry and this government deliberately inviting a strike by these public service workers?

Hon. Mr. McCague: The honourable member knows full well we're not inviting any illegal strike whatsoever. I think I've given him the reasons. There are many groups within the civil service which could ask for special recognition for a special group. We did agree to eight categories some three years ago. It has worked well.

The main thrust seems to be that there is not parity with either Ontario Provincial Police officers or federal corrections people. We recognize that. We are prepared to consider that in our negotiations this year. We feel the major request for the union can be addressed in the negotiations.

Mr. Bradley: Mr. Speaker, within the bargaining unit there are some 9,000 individuals and when they go to the bargaining table, or even before they go to the bargaining table, they feel their views are submerged in the total process. Considering the fact this involves about 3,000 people, not 400 or 500, would the minister not consider it would be wise to change the decision of the cabinet? I detected in the Minister of Correctional Services (Mr. Walker) a little softening of attitude in this regarding an earlier question. I was wondering whether his counsel would be heeded in this regard and if he would change that circumstance and avoid what is going to be a pretty catastrophic situation in the province if they do decide to go on strike.

Hon. Mr. McCague: Mr. Speaker, I think the honourable member fails to realize there are a lot of other groups with large segments to them. One in particular, for instance, would be the nurses who are in a category of 4,000 and they make up half the category. We have all kinds of those groups within the civil service. We're trying to stick to the eight categories. That doesn't stop us from recognizing special interests within that group.

JUNIOR HOCKEY COMMITMENT

Hon. Mr. Baetz: Mr. Speaker, last Friday the Leader of the Opposition raised questions about Canada's representation in the forthcoming world junior ice hockey championships in Finland.

The commitment to participate in those championships is made by the national body for hockey, the Canadian Amateur Hockey Association. A request for funding was submitted by that organization to the federal government agency responsible for sport—namely, Sport Canada. Sport Canada declined to provide the funding.

As many honourable members know, there is a division of jurisdiction between the government of Canada and provincial governments on the matter of supporting participation in international sport. Simply stated, Mr. Speaker, the government of Canada and national sports organizations have exclusive responsibility for Canadian representation in world championship events, regardless of the province of origin of the participants.

Canada's representative in the forthcoming junior world championship is the Peterborough Petes Hockey Club. The Petes roster will be supplemented by eight additional players from other Ontario teams. In Finland, however, the Petes will play as a Canadian team, not as an Ontario team nor as a Peterborough team.

Some people, no doubt, will argue that since Loto Canada has been transferred to the provinces Ontario has both the obligation and the dollars to pay for international representation in sport. No such proposals for such a realignment have been made nor, as far as I know, is one being contemplated.

Let me point out, however, that the federal-provincial agreement on Loto Canada calls for the return of $24 million a year to the federal government, half of which I understand, will go to sports.

I've been advised the Peterborough hockey organization is highly committed to attending these championships. Therefore, the possibility of Canada being relegated to the second division in international junior hockey for failing to field a team is not present.

Many honourable members will be aware that the matter of whether Hockey Canada or the Canadian Amateur Hockey Association represents Canadian interests in international hockey is not at all clear. The controversy over the funding for these championships is probably more a product of the conflicts and the squabbling among these two organizations and the federal government than it is a matter of the availability of funds.

The commitment to participate in this tournament was made by the CAHA, the national body responsible for hockey. Funding for world championships is, as I have indicated, traditionally a function of the government of Canada and national sports organizations. Given those two facts, I do not believe an intercession by the provincial government at this time would serve any useful purpose.

Mr. S. Smith: By way of supplementary: In view of the fact the morning news seemed to imply the matter was being settled—and, perhaps, as we stand here now it has been settled, I don't know—could the minister, at the very least, get hold of his federal counterpart and make darned certain that in one way or another that group of Ontario boys gets over to Finland to represent this country and not make Canada the laughing-stock of international hockey dealings? Whoever may be at fault in the matter, let the government offer them money if it has to but in one way or another would the minister please get together with his kissing cousins in Ottawa and make sure we get a team there?

Hon. Mr. Baetz: I'd hate to think of Mr. Paproski as a kissing cousin. I would like to assure the Leader of the Opposition however, that I did have a long talk with Mr. Paproski on Saturday. I've been in touch with some people in Peterborough and in all likelihood the matter will be resolved and Canada will be represented by the team from Peterborough, augmented by others, and I do hope we'll win the championship.

Mr. Hennessy: Mr. Speaker, I rise in support of the Peterborough Petes. I think Ontario should have representation. I've been in hockey quite a few years myself.

Mr. Speaker: Would any other member like to give his support?

DREE AGREEMENT

Mr. Eakins: My question is of the Treasurer, Mr. Speaker. Some weeks ago he mentioned an agreement was imminent within a few days between the federal and provincial governments in regard to DREE funding. Could he bring us up to date as to whether that agreement is near completion? Will he soon have some information for the people in the Muskoka, Victoria-Haliburton and Peterborough areas?

Hon. F. S. Miller: Mr. Speaker, I made a point during the first ministers' meeting in Ottawa to see the minister responsible for DREE, the Honourable Elmer MacKay, to follow up the very points the member is discussing. He assures me it is going through the process of approval and I will have the document approved to sign in the substance originally agreed to. However, that does not, so far, include the member's riding or mine.

A recent letter from him implied that did not prevent a second or northern agreement including those areas. He simply said the eastern Ontario agreement would not.

[3:15]

Mr. Eakins: Supplementary: In view of the fact that agreements have recently been signed with British Columbia and Alberta for $50 million and Manitoba and Quebec why is it so difficult for Ontario to get an agreement with the federal people? Does the minister not have the power and the clout with them that he thought he had?

Hon. F. S. Miller: Mr. Speaker, I am satisfied that progress has been made through the bureaucratic hurdles the present government has inherited from the previous one.

FRENCH-LANGUAGE EDUCATION

Mr. Samis: Since the Penetang question is no longer merely a regional or provincial question, but a symbolic issue; and since Premier Levesque has used the Penetang situation to attack the Premier's position in the original white paper, doesn't the Premier think it would be an act of goodwill, a demonstration of Ontario's interest in pre-

serving national unity and a positive contribution to the upcoming referendum if his government were to resolve the matter once and for all by granting the Franco-Ontarians the type of school they are asking for, the type of school they deserve, realizing it is more than a question of just bricks and mortar?

Hon. Mr. Davis: Mr. Speaker, I am not sure to what extent Mr. Levesque has used that particular situation—

Mr. Samis: In the National Assembly.

Hon. Mr. Davis: Listen, I stayed so the honourable member could ask the question. He very politely sent me a note. I am staying to answer it, so would the honourable member please let me answer without interrupting? The member put in a fair amount of editorial comment. He didn't ask a straight question. I think I am permitted to give a little editorial comment in reply. Is that not fair? Just so we play by the same ground rules.

Mr. Speaker: Get back to the question.

Hon. Mr. Davis: I think it is fair to state, going back historically, that the position of the government of Quebec has been they really have no concern and they don't think it is appropriate for them to comment on what policies exist in the field of education outside Quebec. If Mr. Levesque at this moment is trying to exploit the Penetanguishene situation, then it is totally inconsistent with the point of view his government has taken on the question of educational language rights to date in this discussion.

I raised it with him, with respect to the policy in Quebec. As the Minister of Intergovernmental Affairs (Mr. Wells) stated—and he was quite right and he was not betraying any confidences—I was at the same meeting where the Premier of Quebec was surprised when he discovered that of the 5.6 per cent of the youngsters in this province who declare French as their mother tongue, 5.4 per cent are getting their education in the French language.

When one looks at Penetang, Mr. Speaker, you have to recognize there is another issue as well; that is the position of the Simcoe county board; the feelings of the people in Penetanguishene. A large number of the francophones in Penetanguishene did not want to have a separate school entity, separate and apart from the existing facility. I think it is important for the Premier of Quebec, if he understands what the debate is about, that he understands we are not debating the provision of French-language education.

We are faced with a situation where we have a relatively new school plant. I was there on one occasion to assist in its opening. We have a declining enrolment. The number of youngsters in Penetanguishene—a tiny township which happened to funnel their youngsters into the Penetang high school—is diminishing. We have a situation where within four to five years, if there was a new separate individual school, there would be perhaps a 50 to 60 per cent attendance and there would be citizens in that community saying, "What are you doing with the other 50 per cent of a relatively new high school facility?"

There would be the problem of the combination of courses that are available. The proposal from the ministry is that they can have a principal whose language obviously would be French and a totally French-language program in the same physical plant.

When one gets right down to it, Mr. Speaker—and this is something perhaps the member for Cornwall doesn't understand—one is talking about the ambience, one is talking about the milieu, if that is the terminology, one is also talking in terms of that community of probably a 40- to 50-minute period in the school day, which would be the lunch period when the youngsters wouldn't be part of that French-language milieu.

I've got news for the member. I know that community fairly well. They will go to the same pop stands after school and to the same social areas where young people congregate. There is less than unanimity on the matter. It is quite different from some other communities. A very substantial number of the francophones in Penetanguishene did not see the need for, nor do they support a separate school facility.

The combination makes sense. I think it would be unwise of the Premier of Quebec, to comment without understanding the realities of the situation, without understanding the practical implications and without his acknowledging that our legislation in terms of its impact on francophone youngsters in this province is far more positive than their legislation in Quebec.

We don't ask anyone in Penetanguishene who wants to take a course in the French language: "Where were you born? What generation are you?" The member won't find that to be the case under the law in Quebec.

Mr. Samis: Since the so-called solution proposed by the Minister of Education (Miss Stephenson) has been rejected by every francophone and French-Canadian group in Canada and since the positive action com-

mittee is so upset by the decision that the president, Alex K. Paterson, and Storrs McCaul felt it necessary to issue a public letter to La Presse last Friday asking this government to change its position on Penetanguishene, could I ask the Premier what role he intends to play in the upcoming referendum debate and how he intends to be accepted with credibility by the French-speaking, non-separatist people of Quebec if his government can't resolve this problem in Ontario?

Hon. Mr. Davis: I think it fair to state we will not always be able to solve every problem in this province. If the member for Cornwall is suggesting the point of view as expressed by this—

Mr. Warner: You should be solving problems that the Minister of Education creates.

Hon. Mr. Davis: This is a subject the member for Scarborough-Ellesmere does not understand. Why doesn't he let me debate it with his colleagues?

Mr. Warner: I understand it.

Mr. Speaker: Order. The member for Scarborough-Ellesmere is wasting time.

Hon. Mr. Davis: I think it is fair to state, when it comes to the question of education, this province can take a position relative to the separatist forces in Quebec whereby our legislation will stand the light of day. The member can shake his head as much as he wants. If he compares their legislation to our legislation, he will see what we have accomplished here. I don't care what somebody has written by way of a letter.

I happen to know the situation in Penetanguishene fairly well. The youngsters came up to my cottage. They drove up in a relatively new Grew boat made in Penetanguishene. They were a great group of young people. Three of the leaders of the group happened to come from other than Penetanguishene. I have to tell the member that part of my responsibility certainly is this province's general perception in Quebec, but I would say with respect that they understand the actual facts in Penetanguishene when they understand we are committed to the provision of French-language education. We are prepared to entrench it or enshrine it in the constitution, which the Parti Quebecois is not prepared to do.

I just ask the member to make an objective evaluation if he can; sort himself out from his political philosophy which he is attempting to exploit on this particular issue.

COPIES OF STATEMENTS

Mr. McCaffrey: I will be brief about this. Being one who complained about this matter in the past on two occasions, I want to thank publicly the Minister of Intergovernmental Affairs for having the courtesy to provide all members with a copy of the statement on the PQ white paper.

UNIVERSITY RESEARCH

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of Colleges and Universities. I would have liked the Minister of the Environment to be here as well because it is a related question.

Is the minister aware of the International Joint Commission Science Advisory Board public seminar held on November 7, 1979, here in Toronto entitled Research in Universities in the United States and Canada Committed to Cleaning up the Great Lakes? Is she aware also that in the United States in the Great Lakes basin some $14 million was given to colleges and universities for this kind of research and that on our side, particularly in Ontario and those colleges close to the Great Lakes basin, the commitment was some $150,000?

The question I would like to raise is, was there anyone from the Ministry of Colleges and Universities at this seminar? Or maybe she could ask the Minister of the Environment (Mr. Parrott) if there was any attendance there from his ministry to bring themselves up to date on research in universities as it relates to the cleaning up of the Great Lakes.

Hon. Miss Stephenson: Mr. Speaker, I am aware such a program was held in Toronto. It was my understanding there were representatives there from the Ministry of the Environment. I understand there were also some staff members of one or two universities in this area who attended that conference. But I would remind the honourable member the funding of universities in Ontario is quite different from the funding of any portion of university activity in the United States. Indeed, instead of $14 million, the universities of this province last year were provided with $789 million by Ontario.

A significant portion of that is to encompass the role of the universities in their research capacity on behalf of the community and the province in which they exist. We do not direct funds specifically to universities within this province except on contractual arrangements with certain ministries. They carry out basic research on the basis of the funding which

is provided to them by the Ministry of Colleges and Universities.

Mr. Kerrio: Supplementary: We happen to be situated in that part of the Great Lakes basin where there seems to be a great deal of polluting of the environment—witness that one can eat the fish that's caught in Lake Erie, but not the fish that's caught in Lake Ontario. Something is happening at Niagara. I wonder if there shouldn't be a commitment in our universities because of this grave problem as it relates to the cleaning up of the Great Lakes? Would it be beyond the minister's jurisdiction to get them to upgrade their research capability in helping clean up the Great Lakes?

Hon. Miss Stephenson: Mr. Speaker, I am sure those researchers in biology—specifically in the water biology area—have as grave a concern as the honourable member does in terms of this activity and many of them are carrying out research. That research is supported through the funding provided by this government to the universities in this province.

In addition, I am aware there are contracts which are let by the ministries of Natural Resources and the Environment to specific researchers for specific purposes. I am sure that commitment will be carried out this year because I know the university community is as concerned about the quality of the water on the Great Lakes as is the provincial government.

TRANSPORTATION OF DANGEROUS GOODS

Mr. Wildman: I have a question of the Attorney General: In view of the major disruptions that resulted from the train accident in Mississauga and the collision involving a tanker truck carrying sulphuric acid near Serpent River over the weekend, and following on the statements made by the minister and his colleagues the Minister of the Environment and the Minister of Transportation and Communications (Mr. Snow) in this House, can the minister inform us who is the owner or person in control of the radioactive waste sulphuric acid which is being trucked from Eldorado in Port Hope to Rio Algom in Elliot Lake?

Can the minister assure the House that the provincial government and all municipalities between Port Hope and Elliot Lake are notified of the route, amount and nature of cargo, and departure and arrival times of each shipment of this nuclear waste by the firm responsible?

Hon. Mr. McMurtry: I'll certainly be happy to discuss this question with the Minister of the Environment and with the Minister of Transportation and Communications. They have I think the fundamental responsibility regarding the honourable member's concerns. I will convey his concerns to both of my colleagues in that respect.

Mr. Speaker: Time for oral questions has expired.

DEATH OF HENRY JACKMAN

Mrs. Scrivener: Mr. Speaker, just before the orders of the day, I wish to pay tribute to a most distinguished Canadian, Henry Rutherford Jackman, QC. Mr. Jackman died last Thursday and was taken to his final resting place from Metropolitan United Church at noon today.

[3:30]

A lifelong citizen of this province, Harry Jackman, as he was known to his friends, gave tirelessly of himself to his church, his community, to the arts and to government. His philanthropies were legion.

One gift which drew wide attention and acclaim was his acquisition in 1969 of an equestrian statue of King Edward VII from the government of India. At considerable personal expense, he arranged to have the five-ton statue transported from India to Toronto, where he presented it to the province of Ontario. It now stands overlooking the north façade of the Parliament Building as an historic reminder that it was Edward VII, as Prince of Wales, who, when in Toronto in 1860, dedicated Queen's Park to his mother, Queen Victoria.

Mr. Jackman also presented a bronze statue of Winston Churchill to the city of Toronto and this statue can be seen in Nathan Phillips Square.

At the time of his death he was finalizing arrangements to erect a sculptural tribute to the Canadian airmen of both World Wars. This undertaking was inspired by Air Marshal Billy Bishop, Canada's greatest air ace in the First World War. Mr. Jackman believed in the recognition of heroes as an important example for young Canadians.

Born on November 5, 1900, in a house on Tranby Avenue in Toronto's old Yorkville area, Mr. Jackman was the only son of Henry B. and Sarah Anne Rutherford Jackman. Such Toronto streets as Jackman Avenue, Bowden and Playter Boulevard are named for members of his family. His early education was received at Huron Street and Rosedale Public Schools and the University of Toronto Schools. At the age of 17 his edu-

cation was interrupted for a year when he joined the Royal Air Force. He was a pilot in training at the conclusion of the First World War.

Mr. Jackman continued his education at the University of Toronto and Osgoode Hall Law School and, later, Harvard Business School. He was called to the bar in 1924. Commencing his business career in Toronto with Dominion Securities he moved to Traders Finance. As his financial interests broadened, he acquired an interest in a number of financial corporations. Because of his wise perception of business and people and his boundless energy, he was invited to sit with numerous boards and advisory bodies during his lifetime.

In addition to being an honorary director of the Bank of Nova Scotia, at the time of his death Mr. Jackman was president of the Dominion and Anglo Investment Corporation Limited; director of the Economic Investment Trust Limited; honorary chairman of the Empire Life Insurance Company; past-chairman of Burns Food Limited; past-president of the Debenture and Securities Corporation of Canada; and honorary director of the Canadian International Investment Trust Limited, E-L Financial Corporation, the Casualty Company of Canada Limited and of the Harvard University Association in Canada. There were a number of other corporations with which he had been associated over the years.

Mr. Jackman believed in public service and gave it. President of the Rosedale Riding Conservative Association from 1936 to 1938, he was elected member of Parliament for Rosedale in 1940, retiring in 1949. He was a founder and life member of the Commonwealth Parliamentary Association and a member of the national executive committee of the Canadian Institute of International Affairs. He was an officer of the Order of Canada, an honour bestowed in recognition of his public service. He was a Knight of the Order of St. John of Jerusalem and Knight Grand Cross of the Order of St. Lazarus of Jerusalem. As well, he was a trustee and past president of the Art Gallery of Ontario, a director of the Mendelssohn Choir and had served as chairman of the national finance committee for the Canadian Red Cross.

Internationally, he was a benefactor to certain organizations in the United States and Great Britain. For instance, he established a chair in church history for St. Andrew's University in St. Andrew's, Scotland, and assisted with the restoration of Grey Friars Abbey at Canterbury Cathedral.

Mr. Jackson had a lifelong interest in agriculture and owned a beef farm complex near Nobleton. He was among the first to import Charolais stock from France during the 1960s, expending considerable time and energy on herd improvement.

Within the confines of his own family, Harry Jackman has been heard to remark that many men can make fortunes, but few give them away. Mr. Jackman gave away several fortunes in his lifetime to charities and worthy causes too numerous to count. Latterly, he established the Jackman Foundation as a further means of assisting charitable organizations.

When Metropolitan United Church suffered a disastrous fire in January of 1928, Mr. Jackman gave strong leadership in raising the necessary funding for its restoration and endowment. He continued to work for that church and for the United Church of Canada until his death.

I have given a very brief outline of the life and works of a man who has been an outstanding citizen of Ontario. For all his success, Harry Jackman retained a personal modesty. His good deeds were his personal demonstration of his beliefs.

I believe members of this Legislature will wish to join with me in extending to Mrs. Jackman and members of her family our deepest sympathy at their loss.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I would like to table the answers to questions 277 to 280, 309, 351, 353, and interim answers to questions 350 and 352 standing on the Notice Paper. (See appendix, page 4839.)

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS

Mr. Chairman: As is the custom, there are usually leadoff statements. Does the minister have an opening statement?

Hon. F. S. Miller: Yes, Mr. Chairman.

Mr. Conway: Where have you been the last 10 days?

Hon. F. S. Miller: I have been in hospital.

Mr. Peterson: Do you want to adjourn right now?

Hon. F. S. Miller: Why don't you just avoid my statement by passing my estimates and let me go back?

I would like to open by making a statement, if I may, before we begin the detailed discussion of my estimates. This is the second time I have had the honour to be presenting Treasury's estimates. I also understand that later we will be considering the supplementary estimates for the Employment Development Fund.

As you know, the activities of this ministry touch upon a great many areas. However, I will confine these introductory remarks to a few highlights of the province's economic and fiscal policies. In particular, I would like to review the progress we have made in implementing some of the major parts of the 1979 budget and briefly discuss the current economic climate.

The main thrust of the 1979 budget was to create jobs in the private sector. We undertook a number of specific actions designed to accomplish this, including the elimination of succession duties, new and extended sales tax exemptions for the hospitality industry and modification of the mining and capital taxes.

We also undertook two major initiatives. These were the creation of the Employment Development Fund and the small business development corporations legislation. The Employment Development Fund was established to make sure that Ontario received its fair share of the new investment for which other jurisdictions outside Canada are so aggressively competing. The fund has now been in operation for some months and based on our experience to date I am satisfied we are on the right track in creating this new program.

As you know, the fund is administered by the employment development board, which is chaired by myself. The Minister of Industry and Tourism (Mr. Grossman) is the vice-chairman, and the other member of the board is the Provincial Secretary for Resources Development (Mr. Brunelle). The bulk of the staff work is done within the Ministry of Industry and Tourism, with the exception of applications from the food-processing industry which are handled by the Ministry of Agriculture and Food before they are considered by the board.

There are really two parts to the fund. One relates the pulp and paper industry and the other relates primarily to manufacturing. With respect to pulp and paper, we are now heavily immersed in the process of negotiating agreements which will affect virtually all of the mills in Ontario. The agreements will result in major investments in both modernization and pollution control systems. I should emphasize that in all cases the lion's share of investment will be made by the corporations themselves.

We are also involved in discussions with the federal government, which has agreed in principle to pick up about one third of the government's share of these investments.

Overall, Mr. Chairman, I expect that our contribution—which we still estimate to be some $100 million—will generate investment worth over $1 billion. This will provide lasting employment for thousands of workers and ensure continuing prosperity for many communities.

With respect to the manufacturing side, the board has reviewed a very large number of cases and has approved over 30 proposals. We examine applications from the point of view of a number of criteria, including job creation, potential for export development and import replacement, the creation of new technology and the stimulation of key industries and regions.

We also give preference to Canadian-owned companies. Where they are not 100 per cent Canadian owned, we look for a number of things before accepting an application, including a strong Canadian research and development commitment; an independent purchasing policy and global export mandate; independent Canadian management; and a commitment for reinvestment in Ontario. Naturally these criteria, where relevant, apply to Canadian-owned companies as well.

Another and obviously the most important consideration is whether or not the project would proceed without incentives provided through the Employment Development Fund. I'm confident that we've created an effective, hard-nosed operation which is making a genuine contribution to the economic future of our province. As many applicants who have been turned down can testify, this is not an easy giveaway program.

Mr. Chairman, the members may wish to go into further detail on the operation of the EDF and I look forward to receiving their comments and suggestions.

I would like to turn briefly to the small business development or corporations legislation. You are aware that the grants paid under this program will come under the supplementary estimates for the employment development program. I'm sure most of you know the basic provisions of the SBDC legislation but let me refresh your memory as to how it all works.

The act provides for registration with the Ministry of Revenue of small business development corporations. Individual investors

in an SBDC receive a grant equal to 30 per cent of the initial investment. Corporate investors receive a credit against their Ontario corporation income tax.

The SBDC, in turn, is empowered to invest in eligible small businesses. These small businesses must be Canadian controlled, with no more than 100 full-time employees and with 75 per cent of the salaries and wages paid in Ontario. They must be primarily involved in manufacturing and processing, tourism or mineral exploration and development. They must also operate at arm's length from the SBDC.

The response so far to this new SBDC program has been encouraging. To date, 18 SBDCs have been registered with the Ministry of Revenue. Most of them are still in the very early stages of operation and have not issued share capital. Therefore, it's still too early to assess the results of the program.

When the act was debated in this chamber I indicated that path-breaking legislation such as this requires a degree of flexibility. At the beginning it is impossible to foresee every circumstance or to predict accurately the response of the private sector. I therefore indicated, and would reiterate, that as we gain experience with this program we will consider modifications. I'm sure that the members of this committee will have some constructive suggestions and I look forward to hearing them.

I've been talking about some of the specifics of the 1979 budget. I would like to review briefly how the overall budget is progressing as we move well into the second half of the fiscal year.

As the members will know from the last publication of Ontario Finances, we have been experiencing more buoyant revenue than I had originally projected. This has been caused mainly by higher than anticipated retail sales and corporate profits. However, to some degree these revenue collections lag behind current economic performance and I look to the second half of the year with, at best, guarded optimism.

[3:45]

When we examine our spending growth rate this year it is interesting to reflect upon the outstanding success of the government's restraint program.

In 1974-75, Ontario was coping with the rate of expanding growth of over 24 per cent. We were only one of many jurisdictions faced with this problem. For example, federal government spending at the time was growing at an annual rate of about 28 per cent.

Ontario was unique in one respect. We acted faster and more effectively than other governments to deal with the problem. By 1978-79 our total rate of spending growth had been reduced to 6.4 per cent and that is a very significant accomplishment.

In the current fiscal year we are projecting expenditures to grow by 8.4 per cent. That is up from last year, but it is still well below the projected growth rate in the Ontario economy. The latest forecasts for the economy run in the area of 11 per cent in current dollars.

This year's spending growth rate reflects the creation of the Employment Development Fund. In addition, we must make provision for a disaster relief for the spring flooding in the north, the Woodstock tornado and the failure of much of the tobacco crop. The Mississauga situation could also have applications for our spending this year, but that remains to be seen.

On the other hand, we are continuing with our policy of imposing in-year spending constraints on ministries and the result of this will balance off some of the spending pressures. The progress in reducing spending growth which we have made over the past four years has allowed us to make a substantial cut in the provincial deficit level without major increases in taxes. I originally projected a deficit level of $1.153 billion for the current fiscal year. By the time the year is over, I hope to have improved upon that.

Mr. Chairman, I believe that our long-term objective must be to continue to reduce net cash requirements. However, this can only be done in a manner that is consistent with broad economic and fiscal policy objectives. It is interesting to reflect upon the substantial reduction that has already taken place. In 1975-76, the deficit represented almost 16 per cent of total spending. This year the equivalent figure will be about seven per cent.

The deficit levels over the past several years have been well within the financing capacity of the province's non-public borrowing sources. Mr. Chairman, you may be aware the province has not done any long-term borrowing in the public markets on its own account since 1975. In fact, this year we will be eliminating some $389 million of public debt.

I would like to make one final observation on our restraint program. Ontario's spending now accounts for 15.5 per cent of the gross provincial product, which is a significant reduction from the high of 16.4 per cent four years ago. That translates into about $1 bil-

lion in the hands of the private sector this year alone.

I would like to turn now to the economic outlook. When I brought down the budget last spring, I believed that 1979 would be a year of solid performance and events have borne that out. I mentioned earlier that so far our revenues have been buoyant, reflecting a brisk pace of economic activity in the province.

The rate of job creation in Ontario has been particularly strong. There are 170,000 more people working in Ontario today than there were a year ago. While all of this is very encouraging, Mr. Chairman, nevertheless the current high levels of domestic interest rates and the economic outlook for the United States concern me, because of the implication for Canadian exporters, particularly the auto industry. An American recession is anticipated next year as a result of world oil prices and high interest rates in the US. More OPEC price increases and further instability in world oil markets could deepen and prolong that recession.

As the members know, this is one of the main reasons why Ontario is deeply concerned about the possibility of price increases of oil and gas in Canada. We feel that price increases beyond the previously agreed levels will be difficult for our economy to sustain without suffering a severe setback.

We've also pointed out that if the federal government does not heed our advice and does opt for the significantly higher prices, which are really tax increases under another name, the bulk of the funds should, in the short term, be recycled back to the economy in order to cushion the impact.

On this subject, I hope I'm preaching to the converted so I need not go on. I said at the beginning of my remarks I would not try to cover all aspects of my ministry, since that would take too much of the committee's time. At this point, I shall conclude.

Mr. Peterson: Mr. Chairman, in keeping with the minister's leadership in restraint I won't be too long today either, because I'm not very happy with the whole estimates procedure, let alone the opening statements, the great diatribes that nobody really cares about; I'm more interested in having a chance to converse with the minister.

I must say at the outset I'm a mite disappointed we're back in the House this year. I was under the impression there was generally going to be a shift from the House to committees outside the House. Frankly, I find that a far more fruitful kind of forum for discussion with the Treasurer or whatever minister is involved, particularly when one has an opportunity to chat with the senior civil servants.

I'm not sure why we ended up here this year. I asked my own House leader. He said the NDP, for some reason, wanted it back here. I'm not sure of the veracity of that, but I hope very much that next year we will end up back in committee, although I highly suspect there will be a very different set of players at that time. I assure the Treasurer that at that time I will forthrightly answer any questions he may have as the opposition critic.

I'm sad to hear the Treasurer has been in the hospital. I hope he's feeling better. If this is too much of a trial for him, I for one would happily adjourn until he is feeling first class. Frankly, I wasn't even aware he was away, and I don't think anybody else was aware he was away. Maybe that is one of the problems he has as Treasurer of this province, creating a profile. It's fun to have him here, in any event, to chat briefly about some of our concerns.

In a sense, as he rightly points out, this is his first year. He came in last year under a wee bit of a cloud. There were a lot of promises made for which this Treasurer didn't feel totally, personally responsible; justifiably so, to some extent. That's an old and respected tradition of his government; if in doubt or in trouble switch ministers, because it's really pretty tough to hang the new minister with the old minister's policies.

It will be interesting to see if he is here next year. I suspect he won't be, at least not in the same position. The Treasurer came in last year and created his own first budget, something he feels personally committed to.

There are some good things about it; I want to tell him that at the outset. At budget time the Treasurer presented us with one of the more responsible sets of numbers I have seen in my brief tenure in this House. He was close to his targets. He didn't have the predilection that some other Treasurers and some other ministers had to overstate figures. Certainly his second quarter review came in better than budget, and in most cases I compliment him for that.

It is most important that Treasurers in particular have the capacity not only to tell people but their own colleagues the grim realities. Maybe I shouldn't even say this, but I for one am somewhat attracted, certainly not in all respects but somewhat attracted to at least some of the postures of the new Minister of Finance in Ottawa.

I've never met the man, but it seems to me—and I hope he can sustain it, I hope he has the political clout to do it—he is appearing to tell people the grim reality of the kinds of problems we're facing, he's not offering any simple panaceas. I wish he had had the political clout to get out of that silly mortgage interest deductibility program they have, even though it's a watered-down version.

I think we are collectively coming, and I hope it's transmitting through to the populace, to the point that we in government and I don't have to take responsibility because I've always been in opposition, have been foisting a lot of irresponsible things on people and burying some of the long-term problems. I can tell you this, a price will be paid; that price is going to be paid, to a large measure, by our children, and it will be far more substantial than the price we're paying now. That concerns me.

I'll talk briefly about that in a moment when I talk about pensions, about some of the borrowing practices. Those are areas where your government has been particularly vulnerable to the charge of mortgaging our future, stealing from our future to maintain the pretense of at least some kind of fiscal integrity at the current time.

One of the things I don't like about your statement, and I just saw it, is that all of your comparisons are against the years 1974-75 and 1975-76. You weren't the Treasurer then, yet you say to yourself, "What a wonderful fellow I am because my performance is so much better than it was in 1975-76 when the figures were so much worse."

That was an election year, and this government had one of the most cheap, bogus, irresponsible set of election promises I've ever seen in my life. Let's not forget that a lot of your treasury officials were here in the same positions then as they are now, so what you've got is yourself running against yourself, or you running against your own government.

Mr. McKeough got blessings for all his noise about restraint. He was the businessman's politician, and history will tell you that he was the biggest-spending Treasurer in the history of this province. If you want to run against Darcy McKeough you can run against Darcy McKeough, but don't try to run against us or the NDP, who as irresponsible as they are probably wouldn't have approved of some of those giant giveaways in the 1975-76 campaign.

I remember it well; I remember it because that was my first election, Mr. Chairman. We had the $100 million worth of first-time home owners' grants in retrospect terribly administered and poorly conceived program. There were the sales tax cuts on automobiles, a high percentage of which were imported from abroad; and the across-the-board cut in sales taxes. Most people have learned, after the fact, that our system was not all that responsive to sales tax cuts because such a high percentage of our consumer goods are imported from abroad.

It was a neat election ploy. The government used it then, and now you're trying to prove what a decent fellow you are by not doing it again and by telling us how much better your figures are. I want you to know I don't buy that; I'm not very impressed with those kind of arguments.

I'll say this to you. If the logic that was used at that time to stimulate the economy was correct, I can tell you there's a lot more argument, and there has been subsequent to the 1975-76 fiscal year, for stimulation now. I can tell you this, Mr. Chairman: things are going to be very much worse in the next year than they were in 1975-76. Who knows, there may even be an election, so you may want to review your policies.

I can tell you that anyone who pretends there's been a consistent, coherent, economic philosophy running through this government, encompassing the tenure of the Treasurer here, is sadly mistaken. This government's economic philosophy has been to go with the present breezes, to bend with whatever seems to be the mood of the day.

The assessment of the government is that restraint is the mood of the day. Frankly, you know my position well. It's no secret I happen to share that point of view, in general terms anyway, so I'm not squawking about that in general, although I reserve the right to squawk about it in specifics at a later time.

This is our annual review of the Treasurer. I compliment him on the relative veracity of his numbers. I think the Treasurer probably doesn't have the problem of waking up in the middle of the night saying, "My God, I lied to the people;" because he hasn't. He's been fairly consistent, with a few exceptions where programs were a little ill-conceived or poorly thought out. We told him when we were debating them in the House, and I'll tell him again today, where we thought they went wrong, but at least his numbers aren't too far off.

[4:00]

However, the Treasurer has, most conscientiously I gather, almost buried himself. I don't pretend to understand him, decent man that he is, Mr. Chairman. Certainly the

Treasurer hasn't had the profile, in the last year, of the previous Treasurer. Apart from the few numbers he produces, we have had some difficulty determining what he actually stands for in various areas. We have not had to have him deal with some of the fundamental problems that are sitting there, like property tax reform and things like that. He has hived those off and isn't getting involved with them.

We certainly used to know from the previous Treasurer, from the three or four speeches a week that he made, all in printed form; at least there was a constant flow of junk that one could peruse if one had trouble sleeping at night, at least we knew his position on various issues. But we have trouble with this Treasurer, knowing exactly what he thinks about anything; except of course what colour a chap's socks should be or what colour jacket to wear in public.

Mr. Laughren: That is very true, and he needs new advice in that area, too.

Mr. Peterson: I agree with you, he probably could use some advice in that area.

The question of interest rates is an interesting one. We went through an exercise in the House; various people had various and different points of view on the interest rate questions. Certainly some of my colleagues—my colleague to my left from Huron-Middlesex, for example, who thinks very deeply what this is doing, what it has done and what it is going to do to the sector that he represents, which is the agricultural community; he has suggestions of the kind of relief that should be tendered in that particular area.

This Treasurer, Mr. Chairman, has the classic lawyer's two-handed approach to these problems. While on this hand he listens to this bit of advice, on the other hand he listens to an equivalent number of internal economists with a different point of view, and he ends up basically down the middle doing nothing. I really have no idea what this Treasurer thinks about that question; or whether he has the clout in Ottawa or the influence or the personal friendships or whatever, to go to the Minister of Finance and say, "Look, this is what it is doing to Ontario," and that he is either for it or against it. My guess is Darcy McKeough would have stood up in this House and said, "Look, that is a reality, I am for it. If you don't like it, that is your problem."

I still have no idea what the Treasurer thinks about this. He is trying to appeal to all constituencies in this particular area. It wouldn't hurt the Treasurer, and I pass on this advice as generously as I can, to take a stand on some of these issues and be prepared to fight it out. You can pretty well predict what the NDP is going to say. You never know exactly for sure about us, but take your chances on that one. We may have a fight with you, but as long as you are right we will support you.

Hon. F. S. Miller: I am always right.

Mr. Peterson: Therein lie all of the problems.

I want to mention a few things that I think the Treasurer should be doing, and these are in a general sense. I told you earlier I am not very happy about the estimates procedure. I don't think it provides a very meaningful forum for the kind of debate that one should have.

I supported a bill by my colleague from London North about two weeks ago—you weren't in the House, as I recall—suggesting that we should have a five-year fiscal plan filed in this House, very much along the lines set out by the Lambert commission from Ottawa.

I will grant you that Ottawa probably was in a worse situation than Ontario. It probably didn't recognize some of the operating necessities that have been recognized here longer. I think it would be a worthwhile thing, a discipline, to establish a set of standards against which governments could be measured. Let us not forget that one of the most difficult things in bringing relevance to the parliamentary procedure is a set of standards against which the government performance can be judged.

The best set of standards perhaps, is the set of standards the government sets for itself. At least we can tell by looking at the deviations from its projections to see if there is reasonable explanation. The government can do that, in a sense, on its budgeting procedure once a year. It measures up at the end of the year to see what it has done. I think it would be a good thing for you, for your staff and for this province, if you were forced to file a five-year plan, which you referred outside of the House to a government committee on expenditure, where we could have a full debate about the fiscal performance of your government and the projections thereof.

One has to go into that with a certain set of assumptions. One would assume the tax system will remain basically as is. Of course it does change, certainly those numbers can be changed on an annual basis; but it would force two things, in my judgement. It would force a discipline on your government to think ahead for five years and to reflect on some of the serious questions you are going to have to

face and which you have never faced up to. You have oozed concern about such things as financing of deficits and repayment of the Canada Pension Plan and the teachers' superannuation fund, but you have never faced up to some of those long-term program problems that are very important to the financing of this province. It would force you to think ahead about those things. I have seen no evidence whatsoever that you have thought ahead about those problems, let alone that you understand them.

The other thing it would do is generally upgrade the quality of the input from the back-benchers and the opposition members. Let's have some full discussion, questions and answers, about some of those kinds of questions. I am talking in a sense about relating revenues and expenditures.

Frequently it is just a question of reviewing estimates. Most members come here with a particular constituency beef and say, "I wish you were spending more in this area or this other area." We have all got more ideas on how you can spend money. That is a natural outgrowth of the kind of procedure we have in this House.

We never, except for an odd debate, sit down and seriously reflect on where the revenue is going to come from. We do not suggest how to tax more or tax more equitably. We do not have an opportunity to cross-examine the civil servants and have suggestions for them. Granted that comes up sometimes in question period. The NDP has its ideas, we have some of our ideas; but it doesn't come up in terms of a meaningful kind of discussion.

I think if this committee functioned properly we should have an opportunity to have the Treasurer before it, to have the deputy minister, to have some of the senior economists; perhaps even have the governor of the Bank of Canada come in and give us his points of view. I think those things would be worthwhile for a province of this size, one that has grown from a budget of $3 billion or $4 billion at the beginning of the decade to $15 billion today. It is a giant organization you are running here. The more you can discipline yourself and get your parliamentary colleagues involved, the more we will have better, more responsible, more responsive government making fewer mistakes. Also it will have more effective stewardship of the taxpayers' dollars.

A piece of legislation I would like to see introduced, and I have introduced private legislation along this line, is a tax expenditures law. Everytime you give away money by way of a tax cut, tax credit, tax deferment or whatever, you should have to file a set of objectives, showing why that is being done, what you expect back.

When Darcy McKeough was Treasurer he brought in a bill to accelerate the capital cost allowance in this province. That is federal legislation. The Liberal Party brought in an amendment forcing him to come back within a year to review that. In a sense that was a kind of tax expenditure program. We could look at what he was doing, compare it with his objectives and see whether that was a worthwhile expenditure of those funds, because a tax cut is an expenditure any way you cut it. If you are going to cut yourself out of $100 million worth of revenue, then we should say was that worthwhile or should that money have been collected and spent in some other area; that is another area in which I would like to see the minister get himself involved.

There are a myriad other things we have suggested. For example, economic impact studies on all legislation. I still think that is worthwhile. It has the problem of binding up a government, but it forces it to think through some of these questions and to make them public. Then if it is wrong in its guesstimates that becomes public knowledge.

I assume a lot of these things are done privately now, through the staff or in cabinet; but at the same time when we see a minister bring a piece of legislation into this House saying, "I have no idea how it is going to work or whether it is a very good idea at all," it doesn't give us all that much faith. I am referring to the small business development corporations legislation you brought in this year. We will look at that in a moment to see whether it was worthwhile or not, I think we will have more conversation on that later.

I want to mention a few other points that I think are relevant at this time. We talked about one of these over here. It is one of which the Treasurer is probably aware. He instituted a poll at a cost of $60,000 to figure out the public's view of his restraint programs and his government's spending programs. It is our view the results of that should be rightfully in the public domain. He makes himself a victim of a very serious accusation that those are being used for partisan political purposes, which I have no doubt they are. In order to go at least as far as he can to dispel that, he has an obligation as a minister who prides himself on integrity to make that kind of thing public. We are going to use every resource we can to extract that out of his hide. We think that rightfully should be in the realm of public knowledge. He is deceitful not to make it such.

I was interested in reading the Treasurer's September 30 Ontario Finances. I take him back to the budget two years ago, and budget paper C, as I recall, on page four. The long-term projections were that if he could keep the differential between revenues and expenditures to about 2.5 per cent he would balance the budget in the fiscal year of 1983-84. He came up with that 1984 figure in response to a considerable amount of pressure when he became Treasurer.

Let's not forget the previous Treasurer had promised to balance the budget in 1981 as part of the great Brampton charter, as part of the great campaign before the last election in 1977. He knew, and I feel very confident he knew deep down, that was totally unrealistic. Even he couldn't have achieved that, but it seemed like a catchy kind of figure. That's all the press cottoned on to, balance the budget in 1981.

Then, of course, the present Treasurer came in and he took a little different view of the situation. He said 1984 to everyone looking for that magic year when he was going to balance it. But in his September 30 figures there is only a differential of about 1.5 per cent. That means, if we extrapolate those out, his own figure for balancing the budget is going to turn out to be quite unrealistic and probably we are closer on current trends, to 1987, 1988 or 1989.

I would be interested when the Treasurer responds to me and if he doesn't, I'll ask him questions about it later, what his current view of balancing the budget is, in spite of the apparently better performance for the first six months of this year.

I think that better performance, particularly his understated revenue projection, is going to come true by the end of the year, that is the way it appears to most economists today. The only optimistic economist I know today, and he is not really an economist, is Tommy Kierans who happens to work for the Treasurer—at least he is a principal contributor to the Tory economic policy conventions and also chairman of the Ontario Economic Council. I understand he is a man very much on the inside, or at least he used to be. He is the only optimist I know.

All it means to me is that you guys sit around and smoke the same stuff because most of the people outside—the Conference Board in Canada, various banks, Wood Gundy or whoever we want to talk about—are fairly pessimistic about the prospects in the short term. If I was doing the budgeting I would be doing it on that basis, very clearly. Even though I congratulate the Treasurer for the first six months, I wouldn't suggest that's going to carry on for the next year or so.

I probably will save my remarks on the SBDCs for later down in the estimates. From the latest figures I have, which I'm not suggesting are correct and the Treasurer may be able to bring me up to date, 14 have been registered, I believe, representing some $432,000 worth of investments.

Hon. F. S. Miller: Eighteen.

Mr. Peterson: Eighteen; he may also have the numbers for how much has been invested by the SBDCs and so-called eligible corporations, and how much has been given out by way of tax rebates.

[4:15]

I am a little concerned about that; I'll maybe mention it now. When that was established, the Treasurer will recall, there was a great fanfare shortly after it was announced that Wayne Beach of Aurelian had established the first one.

I have no idea how many investments he has made, but I would like to know. If the minister doesn't have it, I would ask his staff to provide for me, if they possibly could, a list of the eligible investments, who has invested in what. I assume that's public knowledge because they are, to a large measure, public funds. I would like to examine that in the course of these estimates.

It's interesting that when we had that major debate we were all talking about directing money into risk capital kinds of projects: new kinds of projects with high technology, creating a "nursery for entrepreneurs, a nursery for capitalists," in this country and in this province. But then came Wayne Beach, the president of Aurelian, and he is quoted as saying that his company has been deluged with requests from people wanting us to invest in their pet projects. "We are not interested in inventions or startups."

To a large measure, that defeats, to some extent, the stated purpose; particularly when the minister made the statement at the time of the introduction of the SBDCs that "I believe it is vitally important to make sure there's a stream of equity capital available to new enterprise." The minister will recall that at the time one of our fears—and we had many fears, some less well founded than others—was that this system would become only an alternative source of conventional capital and would not be creating new capital to go into new kinds of high risk propositions. One would only come to a SBDC as an alternative to going to the bank, because one could get it at a lower rate even

though he or the company was bankable at the bank.

I may be wrong. I have to look at the specifics before I know that. I would be grateful if the minister would look at that and assist me in getting rid of that view of the situation, because it may well be an incorrect one.

I will leave the talk of unemployment to my friend the member for Nickel Belt (Mr. Laughren). Needless to say it had a dramatic jump in the last month, something the Treasurer must be concerned about. I think it bodes poorly for the future, in spite of the fact the minister says he has created another 177,000 jobs this year. Our unemployment rate is up, particularly in the 15 to 24 year old group, to 10.5 per cent, well ahead of a year ago. I see this as a portent of things to come; I would hope the Treasurer would have something to say about that. It looks like his so-called "leaving it to the marketplace" programs aren't necessarily going to mop up the extra unemployment being created by a number of circumstances, albeit a lot of them external to ourselves.

There are three or four other things. It wasn't my intention to go on for too long, but I want to talk about a couple of other things, particularly this matter of equalization, Mr. Chairman.

We have had a number of discussions in this House about the whole equalization. I think we caught the Treasurer off guard at the beginning when we suggested that the province of Ontario had an entitlement to equalization under the current formula. He ran out of the House and said, "That isn't right. It has been removed by Bill C-26 by the federal government." Then I guess one of his staff got to him and said, "That isn't the case, because Bill C-26 was never passed by the federal government."

I am not sure how much we are entitled to. It varies—depending on whom you talk to and the current formula, and that's oil leases included in the classical way as opposed to the new way that Bill C-26 wanted to treat them—somewhere between $400 million and $500 million over the past three years in equalization. The question, of course, to the Treasurer or to the Premier, is why don't you collect this?

Then they start into a moral argument: "Well, you know, the purpose of equalization is not to subsidize or to assist provinces with higher than average per capital income." Mr. Chairman, I tell you that has nothing to do with the purpose of equalization. It is to equalize per capita provincial revenues, not per capita income. There is a profound difference; if the Treasurer doesn't believe me, read the act. That being said, we have a positive entitlement. Finally, after questioning in the House, he admitted that and said, "Gee, I think you are right."

The next obvious question is why not collect it? His response was: "It is, sort of, not morally correct. That is not the intention of the act. We are really a kind of 'have' province and we are really not a 'have not'. Gee, we don't think we should. In any event, if we collect it, you know that 40 per cent of that—or whatever, 40, 45, or 35, depending on how you view it—will come out of the Ontario taxpayers' pockets anyway, because equalization, as we all know, comes out of the federal coffers. It is not contributed to by the provinces except indirectly through their income tax and various other forms of taxation; but it is not a transfer between provinces per se, it is a transfer by the federal government to provinces."

So, I guess, originally they used the legal argument, saying we are not entitled. But clearly we are entitled. Bill C-26 was never passed. I have no idea what the federal government's intention is on Bill C-26, but I can tell you this government should fight it with everything that it is worth.

When the Treasurer and the Premier are running around this province, around this country, saying basically that we are getting shafted, we are getting it stuffed to us by the producing provinces; when they are mounting this one-province campaign against the federal government, saying it is going to destroy our manufacturing industry, it is going to cost us jobs, it is going to cost investment and everything else and we are the ones who are going to lose the most; surely, the morality of the situation is that we are entitled to collect that money. I can't for the life of me understand why this government doesn't go to the federal government and say, "That is our share and we want it." Many people have asked me: "Gee, I really can't understand this, why wouldn't the provincial government collect that money?" And I don't know.

The only explanation I have is it is because of pride. If one could see a picture of—I guess the Premier (Mr. Davis) fears the cartoons; one of himself, with his grey hair and ample, well-vested tummy, kneeling in front of Joe Clark with a tin cup, having equalization dropped into it; I guess that would offend the Premier's pride, I have no idea. I can see the Duncan Macpherson cartoon right now, and it could be catchy.

Those are the realities under the law, and I would say that our position is totally morally defensible today, particularly in view of the things that the Treasurer and the Minister of Energy (Mr. Welch) and the Premier have said. Go and collect it, because I have an awful lot of good ideas on how that money can be used to insulate Ontario against the impact of higher energy prices. We have an obligation to cushion our consumers, to cushion our industry, to cushion our people on fixed incomes and our senior citizens against those kinds of shocking price increases that are going to come along.

I can say right now, the prices are going to go up. The Premier has wasted so much verbal energy on trying to keep them down. I guess it was a good try because everybody thinks he is the hero of the consumer, even though he knew it was a losing bloody battle when he walked into it. I guess he got the headlines he wanted. I guess he thinks people will walk out and say: "Davis fought the good fight. Isn't he a good friend of the little guy?" But he knew he was going to lose. He should have used his energy, his moral suasion, his power of persuasion and all the great staff he has to devise a scheme on how to fairly distribute those oil price increases. That is where the energy should have gone, because he knew it was going to go up. Everybody knew: my grandmother knew; my kid knows, and he is two years old.

That is the reality of the situation, Mr. Chairman, and he blew his credibility. Maybe the Premier has got political kudos out of this; I have no idea, he is going to judge that. He is probably taking a poll right now to figure out how he fared. But in the long run I don't think this government did itself, or the people of this province any good, and I think its energies could have been far more intelligently employed in other areas. That is one more onslaught, along with interest rates and a lot of other things, that are seriously going to affect the financial future of this province. We are running down with our creaky industrial machine, with our deficiency in capital investment, manpower programs and everything else.

One doesn't have to be very intelligent to project ahead and see the kinds of problems we're going to have. Even as a father, if the minister's son came to him today and said, "Dad, what should I do? Where should I go?" my guess is he'd look him in the eye and say, "You know, son, the best advice I could give to you is go to Alberta, because there is going to be more opportunity there."

That's a real moral dilemma faced by a lot of people I know today because they don't see: One, a recognition of these problems in totality; two, the effects that they're going to have on this province; three, any kind of plan of action; or four, any determination to solve them. I would say very seriously, forget the pride and admit that these problems are serious.

I just got a letter from my stockbroker. Things are not good, I told the minister they weren't good.

Hon. F. S. Miller: You are lucky you can still buy stocks.

Mr. Laughren: Listen to these two capitalists going at each other.

Mr. Peterson: Here our little friend from Nickel Belt is going to start in. You see how I woke him up? I was worried my little friend from Nickel Belt wasn't enjoying the speech and I just thought I'd throw that in to wake him up and get his blood stirring, because he's going to be up next and I want him to get angry and mean.

I just wanted to talk about that equalization. I want the minister to talk about it when it's his turn because in the absence of renegotiating some formulas—and I'm not saying they shouldn't be renegotiated—but renegotiating those formulas right now looks to me as though it's going to be as difficult to do that as to change the patriation parts of the constitution. This is a very fundamental and serious argument.

What we are doing now collectively is going to pave the way for the future, and I can tell the minister there's a statement I want to read that I don't like at all. It's on page six of the minister's statement: "The bulk of the funds should, in the short term, be recycled back to the economy in order to cushion the impact."

Short term should have been taken out, because that's wrong. The agreements that are going to be reached now are going to impact for the next 10, 20 and 30 years. It's very important to understand this. This is just the first critical round; in a sense it's not even the first round, because lots of people knew all these things that are happening today were going to happen in 1973 and 1974 when the whole started. The minister should have known but he didn't know it and his government didn't know it; but now at least he knows.

The prospects of $30, $40 and $60 oil are not silly. He can't look me in the eye and say, "You know, Peterson, if you predict $60 oil in 1986 you're crazy," because I'm probably not. What the minister has to do is

develop the program for recycling of those windfall oil moneys now, because what he does now and the input he has now in those discussions is going to impact four or five years from now. It is very difficult to change the fiscal arrangements in this province.

Don't talk to me about the short term; what he is doing now impacts dramatically on the long-term health of this province and he should be doing it. I would like to see what he is going to take to the next Ministers of Finance conference with suggestions for redoing the fiscal arrangements of this country.

If he wants my ideas I'd happily go with him, because I have a lot of ideas and besides that I'm a lot of fun.

Hon. F. S. Miller: You are a lot of fun?

Mr. Peterson: I am a lot of fun in spite of it. You make me angry. I get a little cranky when I'm in your presence but in spite of that I am a lot of fun.

Hon. F. S. Miller: We will go jogging together. Bring your dog. Your dog licks my hand.

Mr. Peterson: Okay, I'll bring my dog. He'll bite you. My dog would have you for breakfast.

[4:30]

There are a couple of other areas. I just keep getting into this, and I was planning on being finished half an hour ago. I'll leave the Employment Development Fund. I have no idea why the Treasurer is introducing supplementary estimates. I thought we voted for those before, except you move them around so much. I cannot understand your budgeting procedure. You included those in part of the capital investment in your last budget as investment, long-term capital investment, and it has been jiggled away and some of it taken into building hospitals. It is most confusing. If the Treasurer can make sense of it for me I will get into that in more detail later.

One of the things I am concerned about is Hydro and the effect it is having on our collective borrowing capacity. We have seen, in the past month, virtual collapse of the bond market in North America with the rise in interest rates. Granted there has been a rally in the last couple of days, but most people think that is a technical rally. Most analysts think there is going to be at least one more increase in interest rates, which is going to depress the bond market further.

I would like to know your plans: number one, on what Hydro is doing to the fiscal integrity of this province, because we have seen a deterioration in debt to equity ratio, of Hydro. We have seen a senior vice-president, Mr. Nastich, respond at the rate hearings that he just wasn't sure of the effect it was going to have on the province, and he indeed was concerned about it, as are a lot of other thoughtful people.

Ultimately, that decision comes down to a decision of the Treasurer. I assume you have to have your nose in Hydro whether you like it or not. The former Treasurer did. He unilaterally cut a couple of billion dollars worth of expenditures, which proved to be, by accident, one of the more intelligent decisions that man ever made. He did it for fiscal reasons, not for the projected load forecast reasons as a lot of other people would have tried to do at the time. I would be interested in your views on Hydro and how that is affecting the fiscal integrity of this province.

I have two other points. We are now seeing a budget, Mr. Chairman, of which about 9.2 per cent is going to repay interest on our debts, that is the most dramatically increasing part of the annual budget. It was up something like 14 per cent last year, and 16 per cent the year before that. I am taking the numbers off the top of my head, I might be a trifle off. Every year the biggest single increase in the budget is to finance the debt. There is no end to that, and that is the tragedy. We see the cutbacks in transfers to other areas. We see them necessarily cut back because of the dramatic and sizeable increases in money needed to pay back the provincial debt.

That, in itself, has led one forecasting agency—a week or so ago I read in the press—to say the provincial governments will never be able to—and you are not alone, you are not totally alone.

Mr. Ziemba: You can do what Iran does. Just refuse to pay the tax.

Mr. Peterson: There is a suggestion from my friend from High Park, do what Iran did. That is a clever kind of approach. I never thought of that.

Mr. Laughren: You have no imagination.

Mr. Peterson: Maybe he is right. Maybe I do have no imagination.

Again, that statistic bodes very poorly for the capacity of your government to ever balance the budget without some wrenching reforms, without increases in taxation or dramatic cuts in expenditure. All of those things conspire together to probably put a galling economic yoke on our children who are coming after us. That leads me, I guess, to my very favourite subject, the whole question of what you have stolen from the pension funds over the past 10 years.

I have yet to see a response from the Treasurer. I have tried my very best, by harping and by telling him about the financing crisis we are facing in this province. I have sent him books, I have yapped at him, I have chatted with him; and I have sent him articles to impress upon him the gravity of this situation. I know his response today would be: "Well gee, you know we have to wait until the Haley commission report comes down and it will be next spring." It was supposed to be this fall and before that it was supposed to be last spring. God knows when Donna Haley is going to come down with her commission's report on pension reform and presumably deal with some of the questions of the financing. I gather the provincial governments, and particularly Ontario, are in debt something like $8.7 billion to the Canada Pension Plan. When is it going to pay back that capital amount of money without substantially invading the capital markets, without competing with private enterprise and having an inflationary effect?

God bless the old Toronto Star; the Toronto Star had a headline today, "You Could Pay Double to Keep the Pensions Alive." Of course, you will pay double. That's a tax. It's increased from 3.6–1.8 contributed by the employee and 1.8 by the employer—you're suggesting it be increased up to seven per cent to keep that fund alive.

Responsible people know that the contribution rate has got to go up in order to keep that fund from going bankrupt between 1995 and the year 2000. What I don't like about that is that it's just another temporary salvation for the provincial government to borrow more money. I've advanced before the availability, the fed-demand thesis; you look at how much you could borrow internally, add it all up and then spend it. That's exactly what you have done, on balance, over the past decade; and that is an irresponsible approach to budgeting, in my judgement.

Darcy McKeough isn't going to be here when it all has to be paid back; and I say, respectfully, the present Treasurer isn't going to be here either. He will not be here as Treasurer. He will walk out, they'll have a great dinner of celebration, and he can make his comments about what a good fellow he was. Some poor clod who is going to be Treasurer of this province in 1984 has a hell of a problem. I'm just afraid it's going to be me, that's what worries me; I'm going to have to pay back this legacy of debt.

It's a terrible problem. I have yet to see this Treasurer recognize the severity or the gravity of the problem with any kind of plan, even an interim plan, to solve that financing problem. It has yet to be determined.

As I said before, after we run out of negative tax flow with the Canada Pension Plan in the early 1980s, not only are we going to have to pay back the interest, at least a billion dollars a year by that point, we're also going to have to look after the capital amounts we've drawn down, starting about the year 1995. In addition, we are going to have to pick up the unfunded liability of $1.4 billion from public service superannuation funds and from the teachers' superannuation fund. It's an incredible fiscal nightmare.

I go back to my original point. If the Treasurer, with his officials, were forced to sit down and file a five-year fiscal plan, I can tell him he would be a far more serious man about the problems he is facing here.

I know it's not easy. I know politicians—and he's no worse than I am—are trained to think in four-year cycles, or less than four-year cycles in a minority situation. I know that, I know the pressures. I also know that a lot of politicians are punished for thinking ahead; for thinking past the next election, for saying there are some serious economic problems we're going to have to face.

There are easy ways to buy your way out of any one of them, but almost every simple solution buys a higher price that you pay later on. I want to see the Treasurer, not only as the Treasurer but as a concerned human being—and he is concerned about what's going to be happening 10 and 20 years from now—wrestle with this program, discuss the plan, get some legislation in this House and at least start the pension debate.

My friend the member for Hamilton East (Mr. Mackenzie) introduced a resolution on pensions the other day, and I thought it was a good contribution. I would like to see at least a start to some of the aspects of this whole question; not necessarily the financing parts of it that I'm talking about today, we just need that kind of debate.

I hope that when the Haley commission report comes down the Treasurer strikes a select committee of this House, sits at it daily, and that we wrestle through this problem together by studying the Haley report and coming up with some very serious recommendations for this province. I hope she deals with the significant issues.

It leads back to my original point. The Treasurer is going to have to impress me and other people that he understands the long-term implications of some of these things. Hopefully he will come come back with

some conclusions, albeit tentative, to deal with these things.

In a simple sense, at least, as I said earlier, I happen to think that the new Minister of Finance in Ottawa is at least addressing some of these problems, except for the silly things he was trapped into politically. I hope, desperately, that on December 11, when he brings down his budget, he's got the guts and the courage to face these things and doesn't bend to those politicians and those political influences that aren't, in the long term, in the interests of this country but are only, in the short term, in the political interests of a party which happens to be in power at the time.

I've gone on much longer than I wanted to. I apologize for that; I got carried away. The Treasurer looked like a very receptive pupil today. I felt compelled to go on and orate just a little more than I wanted to.

Hon. F. S. Miller: Orate and derate.

Mr. Peterson: We will pursue some of these matters later; thank you for the opportunity, Mr. Chairman, of participating.

Mr. Deputy Chairman: The member for Nickel Belt.

Mr. Laughren: That applause was appreciated. This may sound strange to you, Mr. Chairman, but I actually look forward to these estimates debates. They force me to crystallize my thinking—

Hon. F. S. Miller: You can't crystallize something that's amorphous.

Mr. Laughren: I'll be specific today. I'll be very specific.

It does force me to crystallize my thinking on the whole question of the Ontario economy. I hope it gives the Treasurer pause, as well, that some of the ideas that flow from this side can have some validity and should not be rejected out of hand. It's an opportunity for us to make some suggestions that we haven't made before, either in the budget debate or the question period as the session progresses. It also allows us to predict the future. I know the Treasurer doesn't like to predict the future, other than to say that everything is going to be fine. Hence the name by which he has become known, "the Jolly Miller from Muskoka."

In Ontario, this Treasurer is in keeping with the times. He's got a very low key kind of approach to his job. He likes to project that very folksy, back-home kind of image and style, and sell the virtues of less government intervention, more personal initiative and almost unbridled, free enterprise. The Treasurer goes about doing that. I'm always struck, in the interviews the columnists have with the Treasurer, by how he goes to great pains to ensure that's exactly the image that's given. I'm sure he makes sure he wears a particular kind of sock, or a particular kind of jacket, when he has those interviews.

That view about the lack of government involvement and the virtues of free enterprise from this Treasurer wouldn't bother me so much if we weren't having problems, if the economy was booming and there was not a high unemployment rate; but that's not the case now, and the Treasurer should understand that eventually the economic problems we face will be manifested in social problems. That's something we find unacceptable, as a matter of fact we find it downright dangerous both in social and economic terms.

Before the Treasurer accuses me of being a nabob of negativism, or whatever other word he would choose to use, let me assure him that we New Democrats are very optimistic about the potential of Ontario. We know that Ontario has a very enviable mix of the things that go towards making a very industrialized, progressive, wealthy, sharing province. We have the mineral and timber resources. We have the fruit land and the farm land. We have the manufacturing structure; it's in trouble, but it's there. We also have an infrastructure of social and health services that are important to us. We know, I suspect better than the Treasurer knows, that the infrastructure of social, health and educational services is built on the assumption we'll have a healthy economy down the road; that's the assumption on which those are built. It's also an assumption that our people will continue to be industrious and government will provide leadership in co-ordinating the efforts of the private sector and the public sector. I am worried that the Treasurer doesn't really understand that, and that he is not prepared to provide that role.

[4:45]

We New Democrats, Mr. Chairman, are concerned about the apparent will of this government to carry out certain responsibilities as we see them. We see the government's responsibility as one of leadership, co-ordination, and in some cases ownership. We see that as a role for the government, with the Treasurer being the person who should be articulating those roles and providing those functions.

This government, for example, must provide the leadership necessary to begin the process of rebuilding our manufacturing sector. I hope the Treasurer responds about

the manufacturing problem. I will talk a little bit about it later, because I think he has bordered on the misleading in his statements about manufacturing in Ontario.

This government simply must co-ordinate the efforts and the activities of the private sector; it is not simply enough to express your faith in them and then stand back and hope for the best. They need co-ordination, and quite frankly they won't object if you provide some leadership in that respect.

The government must take an active role in what is happening with our non-renewable resources. This government has a blind spot when it comes to the resources of Ontario. That is something the Treasurer should know a little bit about, having been a Minister of Natural Resources.

We on this side do not say that public ownership of the minerals in this province, for example, would solve all the problems of Ontario; but, Mr. Chairman, it would provide us with the key to unlocking the economic development of a large part of this province, and it ties in with our good manufacturing strategy as well. The minister, I hope, will understand that.

The New Democrats know that when we do form the government in Ontario—and we won't get into a debate this afternoon as to when that will be, because that might be a long debate—we are going to require a healthy private sector as well. We are prepared, we have policies that indicate we are prepared, to work with the private sector, whether large or small firms, to ensure that the economy of Ontario is healthy. We do not stand in our place and talk about delivering a wide range of improved health, social and educational services without understanding they have to be paid for by the wealth-creating sector out there. We understand that very well, and we want to assure you that is a continuing commitment.

We understand, as well, that it is much easier to deliver those kinds of services when you have an economy that is growing and creating new wealth; it is much easier to redistribute wealth when you have a growing economy. We have stated, in reply to the budget last spring, that we are committed to the redistribution of wealth, whether the economy is growing or not. We stand firm in that commitment, but we also know that you can do a lot more when the economy is growing.

We know, too, that when economic instability occurs, it creates a distortion in both social and economic priority. We know that what we want to build is an Ontario that is stable, fully employed and more equitable than the one the present government presides over.

I will speak very bluntly to the Treasurer. We do not think he is doing a good job. I know it will come as a great surprise to him. We think it is wrong for him to sit back and let things happen out there. He is the only man I know who should have such enormous influence but who still believes in the invisible hand of the marketplace. He still believes in it. Despite all the evidence out there, this Treasurer still believes in Adam Smith.

Mr. Speaker, he ignores economic projections and simply dismisses them as being too pessimistic. He dismisses his own quarterly reports on the economy. The most recent one indicated that one of the problems was stagnating exports. He is saying that while global product mandating as articulated by the Minister of Industry and Tourism is still the cornerstone of his economic policy, it is faltering and he hasn't come to grips with that. He doesn't even admit that is the problem.

He fails to put in place any new programs in anticipation of a further downturn in the economy, despite what is already happening in the United States and despite the certainty that is going to spill over into the Ontario economy.

The Treasurer is silent on any adjustment programs as a result of the GATT negotiations. He hasn't made a public statement that I am aware of. He has introduced no program to cushion the effect of higher interest rates—either on the small-business community or on home owners—despite all the evidence of the problems that is going to cause.

He has done nothing to soften the impact of the increased oil and gas prices which are going to hit Ontario manufacturers. He has put in place no new property tax reform, despite the very dire need for that in Ontario. He has been strangely and ominously silent on the whole question of the decline in our manufacturing sector. That probably bothers me as much or more than any of them—particularly the problems in the auto pact.

He has failed to provide the leadership that could have been provided for Ontario manufacturers to take advantage of the lower Canadian dollar. Once again, he just assumed the lower Canadian dollar would solve the problem and that Ontario manufacturers would respond; yet the predictions now are that the lower Canadian dollar is not going to solve that problem. One need

look no further than the problem south of the border to know why that won't work.

I was struck by the way the Treasurer was used in Ottawa in the negotiations over the oil prices. He sat there beside his Premier, while that gentleman made arguments for not moving toward world prices of oil. The Treasurer was, in my opinion, politically opportunistic. He sat there, listening to the Premier make the argument that we should not move towards world oil prices because we need the competitive edge our resources should give us in this country, and Ontario is the heartland of the manufacturing industry.

While the Premier was saying that, however, the Treasurer had no program in place in case Ontario had won the argument in Ottawa and the Prime Minister had said: "You're right, Mr. Davis. We had better not do it. The manufacturing sector is a real wealth-creating sector. We simply aren't going to do it. We are going to take advantage of the natural edge that resource should give us, be more competitive on world markets, and solve all sorts of problems out there with balance of payments and so forth." He should have established priorities for rebuilding particular manufacturing sectors. Instead, the Treasurer sat there, basking in the glow of this performance by the Premier; he didn't carry out his responsibility to have programs in place. The Premier did his job, but the Treasurer didn't do his, and that is wrong.

The Treasurer still has no plans so that, if oil prices don't go up to world price, our manufacturing industries will take advantage of that. It is a painful process. I agree with the Premier's attempts to stop the increase to world price, but I was really dismayed at the Treasurer sitting there and playing the role of opportunist, without doing his job of putting in place a plan to rebuild the manufacturing sector in Ontario.

Put bluntly, there are no new ideas or programs emanating from the Treasury. The Treasurer has abdicated his responsibility, it would appear, to the Minister of Industry and Tourism—that lean and hungry minister, the Cassius of the Davis court.

The Minister of Industry and Tourism trips across the province—I keep track of his comings and goings—always substituting puffery for policy. I am sure that in the history of this province, there has never been a minister who talked more and said less than the Minister of Industry and Tourism. I know if we were just having a quiet coffee together the minister would be nodding his head much more vigorously than he is now.

I didn't come here just to criticize the Treasurer or his good personal friend and colleague the Minister of Industry and Tourism. I came here to provide some alternative suggestions as well. Let me remind the Treasurer that, when we make suggestions, we do it in what I think is a constructive and positive way. It's necessary to use the data available to determine whether the problem is serious enough to warrant the kind of programs we are suggesting.

The Treasurer should know, despite the typically almost Pollyanna approach in his opening statement, all is not well. I was reading the Conference Board in Canada's quarterly provincial forecast of November of this year. I know the Treasurer doesn't like the conference board figures because they tend to give him a jolt, but no one should question that the conference board is an objective forecasting body. It has no axe to grind in predicting figures that are pessimistic or optimistic. I believe it is an objective body in terms of its statistical work.

This is what the conference board has to say about Ontario: "The current outlook for Ontario calls for a continuation of the trend, begun in the early 1970s, of a declining share in national output. In relation to the August quarterly provincial forecast, the current forecast for Ontario 1980 has little changed, but it would now appear that the province will grow by only 1.8 per cent in 1979, not the 2.7 per cent previously expected.

"This more pessimistic impression stems directly from a downward revision in our national outlook and a more ominous gathering of the clouds on the US economic horizon. Next year Ontario's performance remains one of extremely weak growth. The goods and the service industry components of the provincial economy are still both expected to underperform their national counterparts in 1979-80. This will represent the first time since 1975 that both will lag behind their national counterparts and the first time in 20 years that this has occurred for two consecutive years."

I notice in the Treasurer's opening remarks he used the figure that we are going to have an 11 per cent increase in growth in Ontario this year in current dollars. Where does the Treasurer get off using those kinds of statistics? Does he not deflate at all to find out what the real growth is out of that 11 per cent figure? What is it? Two per cent? That's a very shabby way of presenting his case.

The conference board goes on: "The construction industry is forecast to decline by nine per cent this year, the largest drop in

activities since 1961. In 1980, the goods sector will display a decline in activities"—and I want the minister to listen to this—"as the manufacturing sector, which accounts for approximately 75 per cent of the goods produced in Ontario, is forecast to produce some 2.5 per cent less in real terms than it did in 1979. This represents an upward revision in the last forecast but only because 1979 now appears weaker. In 1980, the manufacturing weakness will not be concentrated in a few industries as in 1979. The majority of manufacturing industries, textiles, clothing, wood, machinery and electrical products, to name a few, will suffer from a drop-off in domestic and foreign demand."

So it's not just foreign demand and it's not just domestic demand, it's both, and that is serious. "The overall number of additional jobs created will diminish to the lowest level since 1962." The minister should be thinking about those figures, because they are very serious, and not continually fall back on simple glib cliches about how hopeful we are.

I was struck by the comments about Ontario in relation to the national output as a whole. I went through the conference board material. I looked at the gross domestic product at factory cost for Ontario which is 9.6 per cent but for Canada as a whole is 10.6 per cent. We are below the national level. For real domestic products, it is 0.8 per cent for Ontario and 1.6 per cent for Canada as a whole, or twice as high.

[5:00]

I look at employment; it will grow by 0.8 per cent in Ontario but by 1.4 per cent in Canada as a whole. Only Manitoba will have a slower growth rate than Ontario. I think that says something about the management of Manitoba as well.

This year the Treasurer, in making his opening statement, said there are 170,000 more people working in Ontario this year than a year ago. Isn't that fine? If he thinks his government is going to be judged on what happened betwen 1978 and 1979 and people will ignore what's about to happen in 1980, he is sadly mistaken. The conference board predicts only 30,000 net new jobs in 1980. That figure terrifies me. A few months ago they were saying 10,000, and they revised that upwards to 20,000. I tell the Treasurer that I hope they are wrong with that 30,000. What does that mean to us? It means a great deal.

In terms of our labour force, only Quebec, Manitoba and Nova Scotia will have a slower growth rate. In terms of the unemployment rate, British Columbia and the Maritimes are the only ones that will have higher rates than Ontario. In average weekly wages and salaries, only British Columbia will have a lower growth rate than Ontario.

The conference board puts a great deal of stake in its credibility, and I would like to know some of the Treasurer's figures in that regard. We think it's unacceptable to be faced with even the possibility of that kind of projection and not have the Treasurer presenting us with programs to anticipate this kind of problem with unemployment in Ontario. I don't know what his programs are. We are not talking simply about programs in terms of make-work projects or work projects in the public sector. We are talking about jobs in both the public and the private sector to create new and real wealth in this province.

I don't know what the Treasurer has in mind. We would certainly like to hear from him. We New Democrats are always talking about manufacturing and resources; not just service jobs and not just public service jobs.

Hon. F. S. Miller: You sound like the CPR.

Mr. Laughren: No, no. I am not the CPR; I do have plans for the CPR, though.

Manufacturing and resources, we think, are the key—not that transportation is part of the manufacturing that we would like to talk about. But we are worried about the manufacturing sector. Look at manfacturing as a percentage of total employment in Ontario. In February 1967, manufacturing represented 33.2 per cent of all employees in Ontario. Ten years later, it had dropped to 26.3 per cent. In September 1978 it was 24.9 per cent. In September 1979, it was 25.4 per cent, an increase from 1978 to 1979 but still considerably less than 1977 or 1967, in particular.

There has been a slight blip on the scope in manufacturing employment in the last year. But the Treasurer shouldn't deceive himself, us or the public at large by pretending that means the manufacturing sector is healthy. That is simply not true.

Look at the deficit in manufactured goods. To me, that's a very critical figure. It has implications regarding our resources, balance of payments and so forth. I picked up a newsletter that was sent out by L. R. Douglas, who is vice-president of Canadian General Electric. Mr. Douglas was chairman of the export committee of the Canadian Manufacturers' Association through most of the GATT negotiations, and latterly was chairman of the trade policy committee of

the Canadian Business and Industry International Advisory Committee; so he has obviously immersed himself in the whole question of manufacturing activities. This is what Mr. Douglas has to say:

"Canada's trade deficit in manufactured goods amounted to some $12 billion in 1978. At the present rate, this year's deficit will approach $17 billion."

Those figures jumped off the page at me. He is predicting we go from a $12-billion deficit in 1978 to a $17-billion deficit in 1979. That is more than a 40 per cent increase in the deficit of manufactured goods in one year alone, in one year alone. I think that is simply outrageous.

I dug up some figures on this year to date that make me think Mr. Douglas is absolutely correct. These are on the manufactured goods balance; they are Canadian figures, but the heart of manufacturing is in Ontario. In 1976, we had a deficit of $10 billion on manufactured goods; in 1977, it was $11 billion; in 1978, it was $12.3 billion. In 1979—in case you think Mr. Douglas is exaggerating—from January to August, which is eight months, or almost two thirds of the year, we have a deficit of $11.8 billion. If you round that off to $12 billion—which is easier for my mind to do—then you come up with a figure of an $18-billion deficit for 1979.

Let's be cautious. A $17-billion deficit on manufactured goods, up from $12 billion last year, is unacceptable. Ontario has the most to lose. Yet the Treasurer will sit there and assume that invisible hand in the marketplace will resolve the problem. That is living in a fool's paradise.

That is completely unacceptable to us. With that deficit, the Treasurer sits there and is a complicit conspirator with the Minister of Industry and Tourism as he trips across the province talking about global product mandating. I have never heard such nonsense in all my life. Do you know what global product mandating assumes, Mr. Chairman? It assumes we have the manufacturing infrastructure here already; that we can go out there and compete on world markets. We are not even meeting the domestic demands. How in the world can we be a global product mandator if we can't even meet our domestic demands?

The Treasurer should know that, for heaven's sake; he should stop all that silly nonsense the Minister of Industry and Tourism is trying to pull off. The Treasurer is part of it, and he should know better. I have always had a sense that the Treasurer of a province or any jurisdiction should somehow remove himself from that kind of nonsense and deal directly with the people on the problems in the economy, and this Treasurer has fallen into the trap.

The real problem with this government—and the Treasurer exacerbates the problem because he thinks small; that is the problem, the more I think about it. He has read Schumacher's book, which says small is beautiful. Who am I to argue with small not being beautiful? But I want to tell the Treasurer, that too is a fool's paradise, given the world we live in out there.

Hon. F. S. Miller: A thing of beauty is a joy forever.

Mr. Laughren: The Treasurer is not running Santa's Village, is what I am trying to tell him. He has to start thinking bigger. The problems are bigger than that, and he has to start coming to grips with that.

Does the Treasurer know what he is like? I don't want to personalize this, Mr. Chairman, but the Treasurer is like a mechanic: He sees a car that needs a ring job so he cleans—

Mr. Peterson: He turns back the odometer.

Mr. Laughren: Yes, he turns back the odometer, or he cleans the plugs. That's what he does. He is not dealing with the enormity of the problem. I am optimistic about the potential for Ontario's economy, but not if the Treasurer sits back and lets the invisible hand look after things.

Until the Treasurer faces the fact that there are structural deficiencies in the Ontario economy, we are not going to solve the problem. Until the Treasurer is prepared to deal with the whole question of foreign ownership in the Ontario economy, we are not going to solve that part of our problem. Until the Treasurer is prepared to say we are going to rebuild certain sectors of the Ontario economy, we are always going to be in trouble.

We're just not getting good government. The Treasurer is not doing his job. I hate to be so blunt to the Treasurer, but I really feel I have an obligation to do so.

This is not just me speaking as an opposition critic, Mr. Chairman. I wouldn't want you to think that. When was the Treasurer made Treasurer? Was he Treasurer in the fall of 1977? No. Then just before he became Treasurer, Ontario made a submission to the government of Canada while the GATT negotiations were going on. I'm very worried about the Treasurer's thinking that only I would think this and maybe

take advantage of him. This is what Ontario's submission included: "Ontario believes that the economic climate will continue to be sluggish into the 1980s and that, consequently, there is an urgent need for policies which will focus upon stimulating the development of internationally competitive industries. The federal adjustment proposals have not tackled the root causes of the problems facing Canadian manufacturers today—problems which will only be worsened with free trade—but instead have concentrated on industries and regions expected to decline."

The Ontario government commission gave evidence of the structural imbalance they talk about. They talked about the deindustrialization of Ontario, the decline in international competitiveness that has led to a deteriorating merchandise trade performance and erosion of technological strength and capability in the manufacturing sector.

Then they go on to say: "Within the manufacturing sector, Canada's position as a net importer of medium- and high-technology products has worsened considerably. Since 1970, Canada has experienced growing deficits in 18 or 19 higher-technology industrial product groups identified by the Science Council of Canada as vital to the maintenance of a viable industrial base. The overall deficit in these product classifications of $7.9 billion carries significant implications for Canada's balance of payments."

That's the understatement of the decade. Finally, this Ontario body says what Ontario's role is. "Ontario recognizes that the provincial government has a role to play in alerting its manufacturing industries to prepare for an increasingly competitive international trading environment. Import-sensitive firms will have to step up innovation, increase specialization, improve their domestic and international marketing channels and work to reduce costs and increased productivity.

"While Ontario will not shirk its responsibilities to its manufacturing industries, the province would stress that the program's resources and the influence of the government of Canada, particularly in fiscal and competitive policies, are such that the federal government will have to assume the major responsibility for an assistance program to aid manufacturers over the multilateral trade negotiation adjustment period."

That's Ontario's submission. It is a very frank and forthright statement to the federal government and much more frank and honest than the Treasurer is being with us or with anybody else in the province. I'd like to know what Ontario is doing. I think that analysis is correct about the Ontario program, but that's two years ago. What has Ontario done since then? I'd like to have the documentation. Would the Treasurer table that? What has he done to maintain his promise that his government would not shirk its responsibility to Ontario's manufacturing industries?

I know the Treasurer will know better than to stand up and say he created the Employment Development Fund, because that is not rebuilding the key manufacturing sectors in Ontario. Like my colleague from London Centre (Mr. Peterson), we can get into the Employment Development Fund in some detail later.

I'd like the Treasurer to stand up in his place, when he replies, to talk to us about the problems he sees that will ensue from freer trade and that will flow from the GATT negotiations, because we're not satisfied with the answers we've received from the Treasurer and, as a matter of fact, from the Premier as well. These estimates are going to be going on for a month or so. I'd put some very specific questions to the Treasurer and hope he would respond.

[5:15]

One of the big advocates of freer trade is the Economic Council of Canada. I'm sure John Crosbie will appreciate them. This is what the council said as its number one recommendation:

"We recommend that in order to shift Canada's industrial structure away from highly protected, labour-intensive and standard-technology activities in which comparative advantage clearly lies with the Third World countries, the federal government agree with the relevant provinces on the establishment of an industrial adjustment and redeployment fund and the creation of a comprehensive joint regional development strategy to be put into force as soon as possible."

They also recommend that "the total expenditures of the fund be fixed at $4 billion spread over a period of approximately 15 years and that the life of the fund and related institutional machinery be terminated at the end of this period as settled by legislation in advance."

The Economic Council of Canada based those figures on the assumption that 250,000 workers would need to be redeployed. That was its projection.

I would like to put some very specific questions. If the Treasurer doesn't want to answer them, we will come back to them again and again until he does.

Question number one: Does Ontario agree with the economic council's position of the

need for that redeployment fund and the amount involved and the number of workers? What has happened since the GATT negotiations were concluded? What is the federal government prepared to do to work with Ontario to ensure there is not undue hardship on Ontario industries and its workers? What will the cost be to Ontario? What negotiations have been held with the federal government in this regard? Would the Treasurer table any correspondence or other documentation? This is assuming he supports his colleagues in Ottawa's freedom of information bill.

Question number two: What about those 250,000 jobs? What proportion of them will be in Ontario? Which sectors will they be in? Who is monitoring what is happening now that the negotiations have been completed? Where will these people be employed if they are redeployed? What negotiations or plans have been made with the federal government? What are Ontario's plans? Would the minister table any documentation or correspondence in that regard?

Question number three: If redeployment is to occur, what kind of schedule is in place? How soon will the impact of the trade negotiations be felt? Is the 85-86 per cent capacity of manufacturing industries a problem in redeployment? The Treasurer talks about manufacturing being 85-86 per cent utilized, and he seemed to think that is very good. We know you cannot have 100 per cent because of any number of problems.

Does that utilization figure of 85-86 per cent create a problem in terms of other industries absorbing the people who will be shifted from industries hurt by the GATT negotiations? Have successor industries been selected in this redeployment program? Where is the capital to come from? What about regional development? Will redeployment be used to alleviate the present regional underdevelopment in Ontario, particularly in the east and in the north? What about the retraining of workers? Has the Treasurer thought about retraining a lot of these workers, particularly workers who are 50 and over? What kind of program is he putting in place for them? What kind of sharing will there be on retraining? Will the federal government share those retraining costs? What about the obligation to the private sector? What has been done about that? Would the Treasurer table any documentation or correspondence he has in that regard as well?

We know the GATT negotiations are complete, and we know the Treasurer did not negotiate the terms of the agreement. We understand that. But we think he has an obligation to react in a very aggressive and positive way since those negotiations are complete.

We are worried about several sectors. I mentioned textiles. Some people seem to think that textiles and clothing were not affected at all by the negotiations when they were—particularly the man-made fibres. We know that.

Machinery is a major concern. We know we have a deficit of about $4 billion on machinery. It is not very surprising. I was reading a Machinery and Equipment Manufacturers' Association of Canada document. After the GATT negotiations were concluded, this is what Pat Laval, of the Automotive Parts Manufacturers' Association of Canada, had to say:

"I can see no aspect of gain anywhere for us. Overall, we are disappointed. We are rather more apprehensive and pessimistic about the things that will continue to hurt us on the nontariff side. Further, the proposals advanced for tariff reduction in the Canadian automotive sector are not reciprocal in that they do not provide the Canadian parts industry with any increased degree of market access, while at the same time the Canadian market is being further exposed to import competition."

That was the Automotive Parts Manufacturers' Association of Canada. It may not be the result of the GATT negotiations, but look at the shambles our balance of trade is in with the auto pact right now. Yet this government doesn't even refer to it. When the Treasurer brings down his opening statement, he makes no mention of the real problems facing Ontario.

I think it was the Treasurer or the Minister of Industry and Tourism who, when the GATT negotiations came down and they were talking about machinery, expressed happiness that Canadian companies now would be able to buy machinery more cheaply. Isn't that a sophisticated response? In fact, what it is going to do is increase the deficit on machinery, which is already unacceptable at $4 billion a year. That's no kind of response to make. How is that going to rebuild the machinery industry? It is a key industry—it should be a key one for Ontario—and that kind of response should be made.

I've got another question for the Treasurer; it's number four. What is the long-run projection for jobs and deficits in the auto parts trade with the United States? Does the reduction in tariffs, from 15 per cent to 9.2 per cent, mean more production in the United States and the product simply being sold here?

Has the Treasurer had any meetings with the automotive parts manufacturers' association and the industry to resolve the problem? If so, when? Could he tell us the results, and could he table any documentation?

Question five, concerning machinery and a similar drop in tariffs, from 15 per cent to 9.2 per cent: What are the projections here for deficits and for jobs? How will Canada benefit if we don't have the machinery to export in the first place? How can we turn around that really critical $4-billion deficit? What plans does the government have, if any, to deal with the machinery sector?

Before I leave the issue of freer trade, I do want to express concern that the Treasurer will regard the results of freer trade as just one of those things that shakes things down and guarantees efficiency, makes inefficient industries go under, forces us to take advantage of what's known as the law of comparative advantage, and concentrate on industries that we're strong in.

That's the traditional Adam Smith kind of thinking. It really worries me if these are what the Treasurer's views are. It's our view that the Treasurer simply has to get involved in this whole question of readjustment as a result of the GATT negotiations.

We know that freer trade means 80 per cent free trade with the United States and 90 per cent with our tariffs below five per cent. That's virtually free trade. We hear arguments that our industrial tariffs are averaging nine per cent to 10 per cent, and that puts us at the highest level of industrial tariffs in the world. But we also know that we have the highest volume of duty-free trade in the world as well. It's 63 per cent now, and it's going to go up to 70 per cent as a result of these negotiations.

These aren't just my opinions. There was a fellow by the name of William Cline from the Brookings Institute in the United States, where I'm sure the Treasurer has been invited to speak on numerous occasions. He did a study on who would gain and who would lose from freer trade. He gave Canada a plus score of 62 per cent, compared to 80 per cent for the United States and 96 per cent for the European Economic Community. He saw Canada as gaining less.

More specifically, if we moved towards freer trade, he predicted Canada would lose 45,000 jobs as a result of imports, particularly in the following sectors: machinery, transportation equipment, chemicals, base metals, precision instruments, plastics, rubber and textiles.

One word of caution: When Mr. Cline did that study, he was assuming a bigger reduction, not a complete reduction, but elimination of tariffs in sectors. Nevertheless, there has been a substantial reduction, and we should think about that problem.

There are a number of actions I would like to suggest the Treasurer take. I know he wouldn't want me just to stand up and criticize. He would want me to be specific about what I thought he should do. I think that's fair game; so I will be specific. This is what I'd like the Treasurer to do and, if he needs my advice, I'll be prepared to give it to him.

First, I think he should prepare detailed plans for rebuilding particular sectors. I'll name these somewhat arbitrarily. If the minister has others which he thinks are more important, I'm very flexible. These are machinery in general, particularly things like pollution control machinery, food processing and electrical products. That's number one, namely, to prepare detailed plans on rebuilding particular manufacturing sectors.

Second, he should insist on Canada's fair share under the auto pact. This year we're going to have a $3-billion deficit—probably a little more than that—in the auto pact. We find that unacceptable. I don't know whether the Treasurer was in the House when we asked the Minister of Industry and Tourism about it a week ago. I was appalled with his answer. His words were to the effect, "What do you mean by free trade?" I guess he hadn't read the Ontario government's submission back in 1977, I think it was, which dealt with free trade. They gave their definition of free trade. What did he mean standing up here as a flim-flam man and telling us that he didn't know what free trade is? When we're talking about fair share, we mean in terms of the balance of trade, research and development, skilled jobs and new investment in this country.

Look at General Motors. They made a big production about announcing a $2-billion investment in Ontario. Basically, their investment in Canada is in Ontario. They're making a $38-billion investment in total by the year 1985. We don't think $2 billion is a fair share of that investment.

They talk about the Big Three, which plan to spend $60 billion by 1983. Do we want to use market shares as a criterion? We should be getting more than $5 billion of that. Do we want to bet we get it? The Treasurer knows we won't get that much, unless he knows something I don't—and that's highly unlikely. That works out to about $650 million a year. In the 1970s, we got about $80 million a year. The Treasurer should insist

we get our fair share. We have a little deficit on vehicles, but on auto parts alone the deficit this year is going to be more than $4 billion. We think that's outrageous.

Unlike the Treasurer, I think we've got leverage. The Treasurer, the Premier and the Minister of Industry and Tourism, that incredible triumvirate, think we have no leverage. That's why they're getting defeated at the bargaining table year after year. We have leverage. We have a very lucrative market. We are a very important part of the North American automobile market. As a matter of fact, we're a more lucrative market than the one south of the border. If you don't call that leverage, I don't know what is. There are other alternatives as well. That's the other suggestion I have for the Treasurer.

The third suggestion is that government procurement policies be implemented that are aggressive and selective. Currently, the Ontario government has a preference of up to 10 per cent. But the government presides over this policy with benign neglect. There is no better evidence of that than the Grumman Reed purchase in Peel. Does the Treasurer recall that? Does he recall the Peel bid on tenders for a waste recovery plant? The only company bidding was Grumman Ecosystems, a huge American company.

[5:30]

There are Canadian companies that didn't even bother to bid. Even though the Ontario government is putting $10 million into the program, the government sat there and let the one bid take place. What kind of competitive bidding nonsense is that? Does the Treasurer call that a government procurement policy? That is outrageous, simply outrageous; yet the government sat back and let it happen.

I read a federal government study on procurement policy, in which they selected one category; I believe it was called communications equipment. They looked at that and said, given all the factors involved, you could have—and this sounded high to me when I first read it—you could have a procurement advantage of 76 per cent, and it would still pay you to buy Canadian with that product. They said that because it must be labour-intensive; it must be high-technology; the government must be a large buyer; there must be a high Canadian content of the parts that go into it; and it must be in the wealth-creating sector such as manufacturing.

When we do that, the spin-off benefits are enormous. My colleague from Downsview (Mr. di Santo) raised this in the Legislature; my leader raised it in the legislation; it was raised in the estimates of the Ministry of Industry and Tourism last week. Mr. Chairman, do you know what that incredible minister said? He said, "Are you saying the taxpayers should pay 76 per cent more?" What kind of response is that? He didn't know what he was talking about, and he was just trying to cover up with that kind of nonsense.

That was an area where it was a good sector; it was a great future in the waste recovery field, and it would have given the Canadian companies a foothold in an industry of the future. If any one company in Canada couldn't put together the necessary expertise to do it, this government had an obligation—and this is where we differ from the Tories—this government had an obligation to say to the three companies that were capable of doing some work on it, "Tell you what: We will help you form a consortium to do this." That is what we have to do. If we just sit back, we are encouraging the status quo; we are exacerbating the problem. What is the sense of having a government procurement policy that is not active but accepts the status quo?

Why didn't either the Minister of the Environment or the Minister of Industry and Tourism—or even the Treasurer if they insist on not getting involved—say: "Hold the phones. We are not going to allow one bid from an American company get this, there must be Canadian companies that can do this job. And if one can't, we will work with you to ensure that that job is done here in Ontario or some place else in Canada." What a sad joke for a procurement policy the government has.

The fourth thing I wish the Treasurer would do is reduce foreign ownership in the Ontario economy. The Treasurer and I may have some common ground on some of the issues I have talked about today or will talk about. But I suspect on this one we are poles apart. I know the Treasurer sees and thinks that there is a need for capital out there, supposedly to create jobs and to pay for our deficits on the current account. What we say is that either we reverse this trend of selling out our wealth, or we guarantee ourselves that we will be perpetually on a treadmill of ever-increasing current account deficits, which can only be paid for by selling out more of our wealth. That is a treadmill, and we want to get off it. Even a casual examination of the figures shows that this is true. In the last five or six years the prob-

lem has become increasingly serious. It is not just the fervent nationalists who are talking about it and are worried about it.

In my casual reading I picked up a document from a company called Pitfield, Mackay, Ross. It may be the broker for my colleague from London—who knows? Pitfield, Mackay, Ross is expressing some concern about what is happening as well. I quote; this is dated August 1979. "Over the last decade the deficit of manufactured goods trade has risen from $3 billion to $13 billion"—they are using $13 billion—"primarily on account of import growth."

Do you hear that, Mr. Treasurer, import growth? You don't think import replacement is the answer; you think global product mandating is. That's a laugh.

Pitfield, Mackay, Ross goes on: "It is interesting to note that the merchandise trade surplus had stopped growing and began to decline prior to the most recent slowing in the US economy. Additionally, the evidence is that large-scale devaluation has produced no measurable improvement in our overall trade balance." Think about that, if you will, Mr. Treasurer. "Further, our projections anticipate sharply-reduced merchandise trade surpluses this year and next, in response to the US recession. We would point out that these estimates are quite a conservative measure of the difficulties that can materialize on merchandise accounts.

"Historically"—get this—"US recessions have produced actual deficits in the Canadian merchandise trade balance." That means not only is our service deficit going to be growing like crazy, we are now going to have a deficit on our merchandise account. What are you going to do then? Sell off more; that's what you will do because you are bankrupt of policies on economic self-determination. You are nowhere. You have nothing to say on it.

Finally: "The large and rapidly-growing deficit on service accounts presents a more fundamental problem than do the merchandise account difficulties. The service account is not at all amenable to large or rapid improvement. Foreign borrowing and interest payments are the driving forces behind the service account problem." Well, we knew that.

"The exceptional levels of foreign borrowing required to finance both the current account deficit and a large-scale flight of capital are having a predictable impact on foreign indebtedness. We estimate that outstanding foreign debt had risen to $43 billion at the end of last year, compared to $20 billion three years earlier and $14 billion five years ago.

"The debt-service burden associated with this borrowing has been rising exponentially. Interest payments last year amounted to $3.4 billion, compared to $1 billion five years ago."

There are lots of statistics to indicate what is happening to our economy and those are just some of them.

I will give you services account balance alone—just services. In 1974 it was minus $3.7 billion, and the prediction is $9.6 billion for 1979 and over $10 billion for next year. That is services alone. That has to be paid for and you know how it is paid for: by selling out even more.

Those are Pitfield, Mackay, Ross figures. Burns, Fry Limited figures are even more frightening. As a matter of fact, when I read the Burns, Fry figures I thought, "You can't even have economic and social stability if those kinds of figures are ever realized." I am talking about what they produced last year. The Treasurer had better be thinking about that.

There is one other ominous sign that bothers me a great deal and that is the whole impact of oil-price increases on our balance of payments. Ontario is the economic heartland of this country and we should be very worried about it because—let's face it—every dollar that goes to the company with the oil price increase goes to one of two places. It goes into new investment—and that is going to demand a return in the future—or it goes, in the form of profits or dividends, back to the almost entirely foreign owners.

I can see an increase problem with the increased price in oil and gas. It is going to increase our foreign indebtedness, either in the form of dividends in the future or in interest and dividend payments today. It will be one or the other; there is no other place for it to go.

What is Ontario's response to this problem? It is approval of virtually every application that comes before the Foreign Investment Review Agency. It approves virtually everyone, including the ones in the high technology areas. You should really be ashamed of that. Don't tell us it creates jobs.

I was looking at figures for just the last five years—from March 1974 to March 1979. Does the minister know how much has gone out of this country in interest and dividend payments? It's $18.2 billion. That is not a figure I am proud of. The Treasurer sits over there along with the Minister of Industry

and Tourism and they approve virtually every application before FIRA, whether it's a new investment or whether it is a takeover of an existing one. It's the lack of selectivity; it's just a virtual blank cheque. Let them fill it in, it doesn't matter.

The Minister of Industry and Tourism sent me over the form they use when they are evaluating whether or not they should approve a new takeover or a new investment. It's like a form one would give a group of grade seven students on a field trip. Did they see any dogs; did they see any groundhogs; what did they see? It's silly and it doesn't do an analysis of the impact on the Ontario economy at all. It's a total and outright copout.

It is outrageous to sell off our future that way, because that's what's happening with the high technology goods, but the Treasurer doesn't seem to understand that. We're just going to have to run faster and faster simply to hold our own as the years go by.

The other thing that ties in with that is the interest rate policy. It is madness. The Treasurer supports the high interest rate policy of the federal government.

Hon. F. S. Miller: I never did.

Mr. Laughren: We didn't object to it. And the Minister of Industry and Tourism said, "It's one of those things we have to live with in the short term." I have a speech he made indicating this. I presume the Treasurer wouldn't disagree with his good friend and colleague the Minister of Industry and Tourism, so I have to make the assumption that he agrees with it as well.

We know the theory behind it—about paying for the current account deficit and so forth. But the higher the deficit, the more money we are going to need to attract. In order to attract all that we need a higher interest rate and the higher the interest rate differential will have to be with the United States. It's stupidity beyond belief.

Let me say in more specific terms what I think the minister should do. I know there are ramifications in my suggestions; I am not that silly. But I am saying he should fight for lower interest rates first of all. If we won, we know what would happen. Imports would cost more because the value of the Canadian dollar would drop. If the Treasurer sees a flaw in my logic I wish he would tell me.

There will be fewer imports therefore. Because of fewer imports we will start to rebuild our domestic industries. As we rebuild those key sectors we will start to meet domestic demand for those products and that will reduce imports.

Then, as we build up those domestic industries we develop the expertise and the economies of scale and the first thing we know we are breaking into world markets. Then he can say with some legitimacy we believe in global product mandating because we think now we can compete on world markets with these exports. That is what the Treasurer should be doing. At the same time he reduces the dependency on foreign capital. That's my fourth suggestion.

My fifth suggestion to the Treasurer is that he examine very carefully—obtain independent and objective opinions and make them public—a report on the role of the public sector in the economic development of Ontario.

[5:45]

The Treasurer is an avowed free enterpriser, but I suspect even he understands that there is a role for the public sector in today's world. I suspect the Treasurer agrees with his Premier, for example, that Petrocan should stay in place. I suspect the Treasurer doesn't disagree with the Premier in that regard. Surely the Treasurer would agree that blind, dogmatic, sectarian ideology has no place in the decision-making process necessary to reinforce and rebuild the Ontario economy.

We New Democrats say to the Treasurer that for social and economic reasons there is a critical role for the public sector in economic development in Ontario. We have been saying for some time—and I know this won't surprise the Treasurer—that the resources belong in the public sector.

Saskatchewan provides a model of how government and the private sector can work together. The revenues from the resource sector are enormous and quite frankly they make Ontario's revenues look sick. Exploration in Saskatchewan is many times that of the exploration going on in Ontario now. In September, the Financial Post held a conference on Saskatchewan resource development —I think there were something like 600 people attending the conference. The private sector there expressed some very positive views on working with the public sector. They said that once you know the rules of the game, it's fine; they were really quite happy. And the revenues are flowing into the Saskatchewan government.

This government prefers what they would regard as purity of free enterprise. I think it's the poverty of free enterprise, when I think of resources. That blindness the Treasurer has costs us millions of dollars in resource revenues. It costs us thousands of jobs. It causes a boom-and-bust economy in resource-based

communities in the north and we still have no strategy at all.

We allow our iron ore mines to be closed out while we import our iron ore. We allow large companies to stockpile nickel and then precipitate a strike while they work on their inventories. We allow the resource industries to extract the ore until it is depleted, then shut down and virtually steal off into the night, leaving a town to fend for itself. We allow resource companies to export the raw material for processing elsewhere. That costs us thousands of jobs.

We allow resource companies to invest $1 billion in other jurisdictions. That's money that was earned here and we continue to receive a pitiful amount of revenues from the resource sector; I think it's less than $40 million and there's $2 billion worth of minerals extracted in Ontario.

Mr. Chairman, I am telling the Treasurer that we need public-sector involvement in the resource industries. It simply has to come because the present state of affairs is costing Ontario too much in the loss of revenues, thousands of jobs and a more industrialized economy. The Treasurer can take comfort, if he likes, in the assurances of the Ontario Mining Association, the Canadian Manufacturers Association, the chamber of commerce and the Rotary Club, but he's fundamentally wrong in leaving the resources in the private sector.

There are other areas. I don't want to just dwell on the resources, but I will tell you something. The summary for me—the way I think about it, at least, and the way this party thinks about it—is that you don't find us running around saying we would bring every conceivable operation into the public sector. We are very thoughtful about it. But if the private sector abandons an industry, or a sector, or neglects it, we think there's an obligation for the public sector to move in, close that gap and rectify the problem. That's what we believe.

I will give you, as an example, the aerospace industry. When the federal government bought de Havilland—I guess it was in 1974—it was too risky an industry for this country—an industry, not just a company but an industry. Other countries realize that. Every country has public involvement in the aerospace industry except the United States and they have put so much public money into it they virtually have a stake in it as well.

Canada must remain a presence in the aerospace industry. If the federal government insists on disposing of de Havilland, then the Ontario government has an obligation to step in and be prepared to buy it to ensure we retain that sector here in Canada. To us it is important that there be a public presence in the aerospace industry, because of the engineering research, the jobs, the skills, all the research and development that spin off benefits into other sectors. And they're spun off into other critical sectors, too—mass transit, pollution control, industrial machinery, electronics, and all the spinoff benefits in industries that live off the aerospace industry. There are only 4,800 employees at de Havilland, but that company alone supports about 10,000 because of contracting out to other companies.

It would be very nice to have government leverage when it comes to negotiations, such as are being conducted right now over the new fighter aircraft. We think the de Havilland company is especially critical. It is a world leader in its field. It is a successful company. It had the infusion of public money already—$38.8 million the federal government paid for it—and it has put another $89 million into it for development of the Dash 7 alone.

Mr. Williams: Why don't you support the Dash 7?

Mr. Laughren: We do support the Dash 7. De Havilland is a world leader in the development of STOL aircraft. It has an exciting future and we must not let it be sold to the likes of Boeing or even to the Alberta heritage fund, which was a rumoured purchaser for heaven's sake. It is important to Ontario. The federal government is not prepared to extract any guarantees at all from any potential buyer—on research and development, on jobs in Ontario, on including the further development of the Dash 7.

Maybe the Treasurer could stand in his place and tell me if he agrees we should just let de Havilland be sold without any guarantees on Canadian ownership, or on research and development expenditures, on technical excellence, on jobs. It is very strange the Treasurer will go to that degree to support his colleagues in Ottawa.

The third example of the need for a public-sector presence is in mining machinery. I have a passion for mining machinery. The private sector has chosen to neglect it. We are second in the world in mineral production; we are third in the world in consumption of mining machinery; and we are first in the world in importing mining machinery. We simply have to correct that.

Ninety-one per cent of the mining machinery industry consumed in this country is imported. That is a $400 million market. If the private sector neglects an industry like

that, one that is so critical—we have a domestic market here—that argument can't be used. Much smaller countries have surpluses on mining machinery, countries that don't have our resource base. Yet here we are with an enormous deficit in mining machinery. That is simply a disgrace. That the Treasurer can sit there and let the invisible hand of the marketplace look after that problem leaves me cold. The Treasurer also should not forget this deficit on mining machinery contributes to that enormous debt on manufactured goods.

There are other examples, but at this point I would like to ask the Treasurer some very specific questions. This is question number six in case he has lost track. What plans does the Treasurer have to increase revenues from resource extraction? Does he intend to leave the processing exemption in place for Falconbridge?

They're having a very good year this year; they've had more than 45 years in Sudbury without a refinery.

What about the iron mines? Does he intend to allow the private sector to continue to close iron ore mines while importing ores from the United States?

What plan does he have for the one-industry resource-based communities in the north?

Does he think profitability is the only criteria for deciding whether or not to close a mine?

What input has he had, as Treasurer, into the cabinet committee on northern communities that was announced by the Premier? Will he provide us some documentation on that?

I think the Treasurer was chairman of that committee at one time, when it was first formed. It was nothing but puffery. The last time we checked it it had never met and that's about two years ago.

Hon. F. S. Miller: It met many times.

Mr. Laughren: If it did meet, would the minister table the minutes and tell us what went on? Nobody else knew it had met, that's very interesting.

Hon. F. S. Miller: It was a cabinet committee. I chaired many meetings.

Mr. Laughren: That's your ultimate out, isn't it? Yes. I'll believe that when I see the minutes.

Concerning the aerospace industry and de Havilland in particular, does the Treasurer agree with his Premier and the Ministry of Industry and Tourism that it's just fine for the federal government to sell de Havilland with no guarantees of any kind? What representation has he made to the federal government on guarantees to protect jobs in Ontario?

Will the Treasurer assure us he will be part of any negotiations to dispose of de Havilland? Will he assure us that he will not allow it to be sold to foreign interests? Will the Treasurer assure us that it will not be sold to anyone without a guarantee that the funds will be provided to proceed with development and production of the new Dash X—I think there's another name for it and I've forgotten it—the new 30-seat STOL aircraft.

On this particular matter, could the Treasurer confide in us in this chamber to how the Premier could assure us there'd be guarantees when the federal government said there'd be none? How did the Premier stand in his place one day during question period and tell us there'd be guarantees to protect Ontario jobs when the federal minister, Mr. de Cotret, said, "There will be no guarantees"? Perhaps the Treasurer could sort out that seeming inconsistency between Ottawa and Queen's Park.

Eight: Regarding mining machinery—I'm almost finished—does the Treasurer think it appropriate for us, a world leader in mining, to be number one in the importing of mining machinery? Is the Treasurer aware that in a recent trade show in Sudbury, only about $40 million of equipment was represented, out of a potential market of $400 million? Will the Treasurer assure us that the private sector will be told to either produce their machinery domestically or go into joint ventures with the government?

If the private sector fails to fill this disgraceful gap in the machinery sector, will the Treasurer undertake to put in place a crown corporation that will do it? Would the Treasurer not agree that a mining machinery complex in the north would reduce regional disparities, reduce the deficit of the current account, provide thousands of jobs, and reduce the dependency of places like Sudbury on their mines?

Mr. Chairman, I've asked the Treasurer eight specific questions to which we expect answers. I have put forth to him specific economic suggestions or strategies. We shall pursue some of them in more detail as we proceed through the estimates debate but we are very serious about our suggestions and we expect more than the traditional bland assurances from the Treasurer.

On motion by Hon. Mr. Gregory, the committee of supply reported progress.

The House recessed at 6 p.m.

APPENDIX

(See page 4814)

ANSWERS TO QUESTIONS ON NOTICE PAPER

REVIEW OF MINISTRY SERVICES

227. Mr. Philip: Will the Minister of Transportation and Communications table a list of local reviews which are taking place for MTC services which may eventually be contracted out to the private sector? (Tabled October 11, 1979.)

278. Mr. Philip: Will the Minister of Transportation and Communications specifically list which areas of operation of the Ministry of Transportation and Communications are currently undergoing review with a possibility of contracting out to the private sector? (Tabled October 11, 1979.)

279. Mr. Philip: Will the Minister of Transportation and Communications table a list of consulting firms which have undertaken an analysis of comparable service costs of the private and public sector? Will the minister table these reports? (Tabled October 11, 1979.)

280. Mr. Philip: Will the Minister of Transportation and Communications table a list of all studies undertaken by the ministry in its review of service costs between the private and public sector? Will the minister make available these documents? (Tabled October 11, 1979.)

Hon. Mr. Snow: On question 277: Over the past year or so the ministry has investigated the possibility of privatizing some services. These investigations have varied from a fairly comprehensive study to local initiatives in contracting operational activities. Examples of these are equipment repair operations, snowploughing, sign shop, laboratory testing; also weed spraying, tree planting, grass mowing, seeding, surveying and inspection, signal installation and repair, sand screening, illumination maintenance. Since circumstances change over time it can be appreciated that the review of these operations will be a continuing process.

In question 278: The only areas undergoing a ministry-wide review are equipment repair operations and snowploughing to determine which parts of either operation may be contracted out.

On question 279: No consulting firms have been engaged by the ministry to carry out a study regarding the privatization of ministry services.

On question 280: As noted in the reply to question 277, local reviews of small operations are an ongoing activity but do not culminate in a formal report study. Two studies that have been completed are the Report on the Ministry's Reprographic Centre and A Report on Ministry Microfilming Operations. If a copy of these reports is desired, the ministry would be pleased to provide a copy.

MINISTRY ADVERTISING

Mr. Grande: Will the ministry provide a list of the amount of funds spent on advertising in non-official language press and media for each fiscal year since 1975-76? Will the ministry break down the amounts by ministry, pr gram and name of media or press which carried government advertisements and annoucements? (Tabled October 16, 1979.)

Hon. Mr. Grossman: The ethnic media totals in the following summary have been reported by the agency-of-record through the Ministry of Industry and Tourism communications division and cover the period April 1975 to September 30, 1979.

Ministry/Campaign	Medium	Fiscal 75/76	Fiscal 76/77	Fiscal 77/78	Fiscal 78/79	6 Mos. Fiscal 79/80	Total $
AGRICULTURE AND FOOD							
Public Forum on Farm Income	Print	—	182	—	—	—	182
ATTORNEY GENERAL							
General	Print	—	84	—	—	3,382	3,466
COLLEGES AND UNIVERSITIES							
Career Action Program	Print	—	—	207	—	—	207

Ministry/Campaign	Medium	Fiscal 75/76	Fiscal 76/77	Fiscal 77/78	Fiscal 78/79	6 Mos. Fiscal 79/80	Total $
Administrative Services Branch	Print	—	—	—	—	48	48
General	Print	267	—	2,415	—	—	2,682
COMMISSIONS							
on Declining School Enrolment in Ontario	Print	—	—	389	—	—	389
on Freedom of Information and Privacy	Print	—	—	420	—	—	420
Wilson Comm. on Aluminum Wiring	Print	—	—	269	—	—	269
on Election Contribution Expenses	Print	12,640	—	—	—	—	12,640
COMMUNITY AND SOCIAL SERVICES							
Mental Retardation	Radio	—	—	—	700	—	700
Communications Division	Radio	—	—	—	2,100	—	2,100
General	Radio	—	—	—	2,800	—	2,800
CONSUMER AND COMMERCIAL RELATIONS							
Business Practices Division	Print	—	—	—	—	746	746
General	Print	—	17,624	—	—	—	17,624
CULTURE AND RECREATION							
Capital Grants	Print	3,796	—	—	—	—	3,796
Dominion Day Celebration	Print	—	1,140	—	—	—	1,140
Festival Ontario	Print	—	89	—	—	—	89
Half Back	Radio	—	—	—	—	47,005	47,005
	Print	—	—	904	—	—	904
Queen's Park Concerts	Print	6,372	—	—	—	—	6,372
General	Print	10,331	1,443	—	85	3,602	15,461
ENVIRONMENT							
Anti-litter	Print	13,710	—	—	—	—	13,710
General	Print	(1,032)	13,496	—	—	803	13,267
GOVERNMENT SERVICES	Print	1,726	870	—	—	—	2,606
HEALTH							
Alcohol Education	Radio	—	—	—	2,500	—	2,500
Health-care Awareness	Print	—	—	2,524	—	—	2,524
Health Skills	Radio	—	—	—	—	12,236	12,236
General	Print	—	—	2,525	—	2,568	5,093
	Radio	—	—	13,762	7,505	5,952	27,219
HOUSING							
Ontario Mortgages	Print	—	—	—	43	—	43
Planning Acts	Print	—	—	—	40	—	40
Rent Review	Print	50,684	—	—	—	—	50,684
General	Print	27,987	131	125	132	1,288	29,663
General	Print	27,987	131	125	132	1,288	29,663

Ministry/Campaign	Medium	Fiscal 75/76	Fiscal 76/77	Fiscal 77/78	Fiscal 78/79	6 Mos. Fiscal 79/80	Total $
INDUSTRY AND TOURISM							
"A" for Achievement Awards	Print	66	—	—	—	—	66
Government Information/ Communications Program (Ontario 20)	TV	—	—	104,788	87,400	12,535	204,723
	Radio	—	—	6,959	18,286	—	25,245
	Print	183,948	229,625	220,837	215,882	118,366	968,658
Ontario Medal	Print	3,752	4,484	–254	5,287	5,277	18,546
LABOUR							
Industrial Health Safety Branch	Print	—	—	—	513	—	513
Minimum Wage	Print	10,050	—	—	—	—	10,050
Occupational Health and Safety Branch	Print	—	—	—	3,281	–121	3,160
On the Job Safety	Print	2,005	—	—	—	—	2,005
General	Print	23,770	22,426	1,502	7,509	—	55,207
NATURAL RESOURCES							
Aerial Spraying	Print	—	—	—	—	504	504
General	Print	—	111	—	—	2,048	2,159
NORTHERN ONTARIO DEVELOPMENT CORPORATION	Print	—	75	25	—	—	100
ONTARIO ELECTORAL OFFICE	Print	9,000	—	2,039	—	—	11,039
ONTARIO LOTTERY CORPORATION	Radio	—	—	—	49,133	3,859	52,992
	Print	55,371	32,355	—	13,985	454	102,165
Lottario	TV	—	—	—	2,340	—	2,340
	Radio	—	—	—	10,585	17,225	27,810
	Print	—	—	—	60,426	3,268	63,694
Wintario	Radio	—	—	87,342	24,298	21,236	132,876
	Print	—	—	33,805	34,902	2,864	71,571
Provincial	Radio	—	—	98,837	70,257	21,254	190,348
	Print	—	16,553	22,720	28,252	12,342	79,867
ONTARIO PLACE	Radio	—	—	3,752	—	—	3,752
	Print	5,300	7,520	8,780	11,624	13,051	46,275
ONTARIO YOUTH SECRETARIAT							
Employment Program	Radio	—	—	700	—	—	700
General	Print	—	—	22,600	–144	—	22,456
REVENUE							
Annual Enumeration	Print	—	105	—	—	—	105
Extension: The Assessment Act	Print	—	—	5,096	—	—	5,906
Grant Payments/ Assessment	Print	126	—	—	—	—	126
Home Buyers' Grant	Print	25,125	—	—	—	—	25,125
Mini-Budget	Print	5,091	—	—	—	—	5,091
Municipal Enumeration	Print	—	—	—	6,417	—	6,417
Tax Credits	Print	7,415	—	—	—	—	7,415
General	Print	3,614	5,949	5,792	7,799	17,007	40,161
ROYAL COMMISSION into the Confidentiality of Health Records	Print	—	—	660	—	—	660

Ministry/Campaign	Medium	Fiscal 75/76	Fiscal 76/77	Fiscal 77/78	Fiscal 78/79	6 Mos. Fiscal 79/80	Total $
Royal Commission on Electric Power Planning	Print	–	–	–	–	62	62
on Pensions	Print	–	–	4,009	–	–	4,009
on the Northern Environment	Print	–	–	1,655	–	–	1,655
on Violence in the Communications Industry	Print	22,506	400	–	–	–	22,906
SELECT COMMITTEE/ ONTARIO LEGISLATURE							
Clerk of the Committee	Print	–	–	–	672	–	672
The Standing General Committee	Print	–	–	–	2,867	–	2,867
General	Print	–	–	–	3,398	–	3,398
TRANSPORTATION AND COMMUNICATIONS	Radio	–	–	5,950	2,505	4,495	12,950
	Print	–	–	9,139	3,347	–	12,486
	Print	–	–	9,139	3,347	–	12,486
TREASURY ECONOMICS AND INTERGOVERNMENTAL AFFAIRS							
Forest Tax Reduction	Print	348	–	–	–	–	348
Parkway Belt	Print	30	–	–	–	–	30
Property Tax Reform	Print	–	885	–	–	–	885
Inflation Accounting Committee	Print	–	100	–	–	–	100
Total	TV	–	–	104,788	89,740	12,535	207,063
	Radio	–	–	217,302	190,669	133,262	541,233
	Print	484,008	355,647	347,796	409,997	187,559	7,847,980
	Print	484,008	355,647	347,796	409,997	187,559	7,847,980

For 1975/76 and 1976/77, purchases of television and radio time were not recorded by language for accounting purposes; the current system was established in 1977/78.

PUBLIC SERVICE SALARIES

350. Mr. Bolan: Are there any groups of public servants of the province of Ontario, including provincial court judges, whose average salary increments over the last four and two-thirds years have averaged less than $860 per annum? If so, what are the groups? (Tabled November 13, 1979.)

Hon. Mr. McCague: The information requested will require additional time to prepare. A response is expected on or about January 14, 1980.

351. Mr. Bolan: Is there any group of public servants of the province of Ontario, including provincial court judges, in respect of whom there is no machinery available for an annual adjustment or review of their salaries? If so, what are the groups? (Tabled November 13, 1979.)

Hon. Mr. McCague: No. All groups are subject to an annual or regular review of salaries.

For groups subject to collective bargaining under the Crown Employees Collective Bargaining Act, review dates are established by the term or duration of the collective agreements applicable to each group (i.e. category contract).

Prior to this year, modules in the management compensation plan, including the program executive plan, were on an annual review cycle of October 1, January 1 or April 1, depending on the specific category. With revisions granted on April 1, 1979, all groups are now on an annual cycle of April 1st. Next review is April 1, 1980.

Salary reviews of provincial judges have been annual on October 1 each year.

Salaries of deputy ministers and related positions were subject to an annual review on October 1. Similar to other management and excluded groups, this has been changed to an April 1 review.

352. Mr. Bolan: Would the minister responsible inform the House what has been the amount of the average actual increment on an annual basis of deputy ministers during the past four and two-thirds years? (Tabled November 13, 1979.)

Hon. Mr. McCague: The approximate date information is available is January 14, 1980.

WCB MEDICAL SERVICES

353. Mr. Grande: Will the Minister of Labour table the following information: 1. (a) Surgical consultants with the WCB who have opted out of OHIP in the years 1977-78-79. (b) Total number of surgical consultants for the years 1977-78-79. (c) Names and qualifications of surgical consultants for the years 1977-78-79. 2. Number of medical reports from specialists who have opted out of OHIP for the years 1977-78-79. 3. Number of medical specialist reports for the years 1977-78-79. 4. The amount of dollars paid out to specialists for the years 1977-78-79. (Tabled November 13, 1979.)

Hon. Mr. Elgie: 1. (a) No surgical consultants with the Workmen's Compensation Board have opted out of OHIP in 1977, 1978, or 1979. (b) There were four surgical consultants for the years 1977, 1978, and 1979. (c) Dr. Peter Hopper, DRCOG, FRCS(C), Dr. Brian Doyle, FRCS(C), Dr. Edward Macfarlane, FRCS(C), Dr. Harold Jackson, FRCS(Edin.), FRCS(C).

2. The Workmen's Compensation Board has no way of knowing how many medical reports were received from specialists who have opted out of OHIP for the years 1977-78-79. When a specialist undertakes to treat a workman under the auspices of the Workmen's Compensation Act, he agrees to accept the board's schedule of fees and is paid accordingly. His relationship with OHIP is in no way a part of that decision.

3. Attached is a list, Medical Aid by Specialty Groups for 1977-78. The Workmen's Compensation Board does not record the number of specialists' reports received as it has no use for this data. However, it might be said that the number of reports received equals the number of accounts, but this would only be a guess as a physician could see a patient three or four times and submit a report for each visit, but only submit one account.

4. The amount of dollars paid out to specialists is as outlined on the attached sheets for 1977-78.

With respect to questions 3 and 4, there is, as yet, no complete data for 1979 as year end figures are obviously not yet available.

MEDICAL AID BY SPECIALTY GROUP — 1977

Code	Specialty	Number of Payees	Accounts	Amount Paid
01	Anaesthesia	266	9,157	457,170.05
02	Dermatology	74	659	11,701.11
03	General surgery	578	32,343	1,018,008.53
04	Neurosurgery	57	4,044	172,363.92
05	General and neurosurgery	2	2	52.00
06	Orthopaedic surgery	236	89,858	2,235,213.67
07	General and orthopaedic surgery	22	8,934	189,549.61
08	Plastic surgery	78	15,229	673,637.12
09	Thoracic surgery	6	22	1,188.00
10	General, orthopaedic and thoracic surgery	2	5	96.50
11	General, orthopaedic and plastic surgery	1	68	1,431.25
12	General and plastic surgery	14	1,935	89,685.37
13	Internal medicine	292	3,368	80,343.50
14	Internal medicine (TB)	1	91	758.50
15	Anaesthesia and internal medicine	—	—	—
16	Neurology and psychiatry	6	297	15,470.70
17	Internal medicine and neurology	4	144	9,370.50
18	Neurology	46	940	34,077.23
19	Psychiatry	103	987	34,710.55

Code	Specialty	Number of Payees	Accounts	Amount Paid
20	Gynaecology and obstetrics	21	647	12,456.66
21	Obstetrics	4	71	742.10
22	Gynaecology	—	—	—
23	Ophthalmology	277	12,349	291,461.06
24	Otolaryngology	125	4,733	142,749.84
25	Ophthalmology and otolaryngology	14	544	12,475.65
26	Paediatrics	8	190	2,668.75
27	Bacteriology and pathology	—	—	—
28	Pathology	8	168	6,059.25
29	Bacteriology	2	21	334.00
30	Internal medicine, pathology and bacteriology	—	—	—
31	Physical medicine	43	6,435	148,291.31
32	Diagnostic and therapeutic radiology	17	3,637	61,569.57
33	Diagnostic radiology	262	38,484	629,136.09
34	Therapeutic radiology	1	201	3,057.47
35	Urology	84	552	20,799.93
36	General surgery and urology	21	604	15,298.46
37	General orthopaedic and urology	—	—	—
38	Anaesthesia and paediatrics	—	—	—
39	General surgery, obstetrics and gynaecology	—	—	—
40	General surgery and gynaecology	—	—	—
41	General surgery and therapeutic radiology	—	—	—
42	Internal medicine and diagnostic radiology	—	—	—
43	General surgery and internal medicine	1	3	69.00
44	General surgery and diagnostic radiology	—	—	—
45	General surgery and thoracic surgery	4	199	5,328.70
46	Internal medicine and pathology	—	—	—
47	Internal medicine and paediatrics	—	—	—
48	Anaesthesia and general surgery	—	—	—
49	Cardiovascular thoracic surgery	6	50	1,599.50
51	Internal medicine, physical medicine	2	86	2,694.50
52	Internal medicine, biochemistry	—	—	—
60	General practitioner	4,579	469,165	5,596,068.61
60	Payee code 04270	1	28	1,032.10
	Totals	7,268	706,250	11,978,720.66

MEDICAL AID BY SPECIALTY GROUP – 1978

Code	Specialty	Number of Payees	Accounts	Amount Paid
01	Anaesthesia	272	8,866	466,881.72
02	Dermatology	65	615	10,898.73
03	General surgery	558	31,924	1,044,787.74
04	Neurosurgery	53	3,606	156,232.74
05	General and neurosurgery	1	7	692.56
06	Orthopaedic surgery	245	92,109	2,319,697.78
07	General and orthopaedic surgery	21	9,625	206,357.25
08	Plastic surgery	85	15,980	700,577.74
09	Thoracic surgery	5	30	927.98
10	General, orthopaedic and thoracic surgery	1	1	8.00

Code	Specialty	Number of Payees	Accounts	Amount Paid
11	General, orthopaedic and plastic surgery	1	85	3,420.24
12	General and plastic surgery	13	2,445	101,376.99
13	Internal medicine	278	3,295	87,753.25
14	Internal medicine (TB)	4	84	990.60
15	Anaesthesia and internal medicine	—	—	—
16	Neurology and psychiatry	6	260	14,178.28
17	Internal medicine and neurology	4	175	13,023.99
18	Neurology	50	1,076	37,713.64
19	Psychiatry	90	935	34,287.82
20	Gynaecology and obstetrics	17	863	16,395.47
21	Obstetrics	4	64	807.51
22	Gynaecology	—	—	—
23	Ophthalmology	269	12,341	300,097.16
24	Otolaryngology	130	4,975	155,958.91
25	Ophthalmology and otolaryngology	11	331	6,892.33
26	Paediatrics	9	134	1,453.00
27	Bacteriology and pathology	1	1	14.00
28	Pathology	7	110	3,575.82
29	Bacteriology	2	23	295.40
30	Internal medicine, pathology and bacteriology			
31	Physical medicine	43	5,972	172,938.82
32	Diagnostic and therapeutic radiology	17	3,010	56,391.89
33	Diagnostic radiology	279	38,318	664,522.30
34	Therapeutic radiology	1	234	3,399.13
35	Urology	81	640	26,934.73
36	General surgery and urology	19	551	17,798.29
37	General orthopaedic and urology	—	—	—
38	Anaesthesia and paediatrics	—	—	—
39	General surgery, obstetrics and gynaecology	—	—	—
40	General surgery and gynaecology	—	—	—
41	General surgery and therapeutic radiology	—	—	—
42	Internal medicine and diagnostic radiology	—	—	—
43	General surgery and internal medicine	1	6	169.50
44	General surgery and diagnostic radiology	—	—	—
45	General surgery and thoracic surgery	4	262	7,424.42
46	Internal medicine and pathology	—	—	—
47	Internal medicine and paediatrics	—	—	—
48	Anaesthesia and general surgery	—	—	—
49	Cardiovascular thoracic surgery	13	58	2,907.24
51	Internal medicine, physical medicine	2	94	3,073.64
52	Internal medicine,, biochemistry	1	1	20.00
60	General practitioner	4,609	468,037	5,724,227.00
	Totals	7,272	707,143	12,365,604.61

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Ontario

No. 118

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Monday, November 26, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

House in committee of the whole.

LOCAL SERVICES BOARDS ACT
(concluded)

Resumption of the adjourned debate on the motion for second reading of Bill 122, An Act to provide for the Establishment of Local Services Boards.

On section 24:

Mr. Wildman: Mr. Chairman I hope we will be able to complete this bill this evening. In fact, I'm certain we will. When we left off it was on a rather sour note in that the minister and members of the opposition who were mostly taking part in the debate got into a dispute over why we were taking so long over this piece of legislation.

As a matter of fact, the minister seemed to indicate one of the reasons for the delay in getting this passed was the attempt by the NDP and Liberal critics to amend certain sections of the act and protract the debate on those sections, one being section 24.

I understand in our discussion of section 24(1), the member for Nipissing (Mr. Bolan) quite rightly and certainly in a moral sense indicated there was a need to increase the funding formula from one for one to two for one. It's unfortunate the rules of the House, as interpreted by the chair, led to the decision that his proposed amendment to subsection 1 was out of order.

I support his position on that and wish the minister would listen to the arguments made by the opposition. I hope he would see the inherent wisdom in them and come to the conclusion that it would be best for all concerned and the best way to expedite the passage of this bill if he were to himself amend the bill to change the funding formula.

I don't have anything further to add to subsection 1, but I do have some comments on subsection 2.

Mr. Bolan: On subsection 1, very briefly.

All the pearls of wisdom we have tried to give this government over the past few weeks during the debate on this bill have fallen on deaf ears. I'm not going to repeat them again. However, I will try to elicit from you a specific answer.

What criteria are required to be met by the individual boards when they come to you for funding? You don't spell it out in the legislation. You're saying they may, out of funds appropriated by the Legislature, do this, this and that. Although I don't agree with the position the government has taken, nevertheless that's it.

It's a money feature of the bill and there is nothing we can do about it. But that being the case, what will your policy be with respect to local services boards which apply to your ministry for funding?

Hon. Mr. Bernier: Mr. Chairman, I appreciate the desires of the members on all sides of the House to move this bill ahead. I know their enthusiasm to get it operational. We've come this far and we might as well complete it. As the honourable member knows, the amendment submitted by the member for Nipissing was ruled out of order by the Chairman. However, he has asked a question as to what will be the criteria for funding.

The funding is very simple. The boards can raise funds through their own efforts—with town bazaars, fall fairs, bingos, hockey pools, anything—by which an unorganized community can raise funds. Those of us who live in unorganized communities know there are a variety of ways, providing those funds are used for the operational requirements of the services they will be administering to the respective areas to which they're providing services.

If they choose to go the other route of piggy-backing on the provincial land tax for the operational aspect of those services, then we will match dollar for dollar. There is no question about it; no problem. It's so simple it's pathetic. If the honourable members are going to play politics I would say make it four to one—make it really attractive.

The local roads boards, as I said in my earlier comments, are not an autonomous body. They are advisory boards to the Ministry of Transportation and Communications. They pass on their funds to the MTC. This will be an autonomous body. They will do what they want with their funding as it

relates to the improvement of the quality of life in those unorganized communities.

Mr. Chairman: Mr. Wildman moves that section 24(2) of the bill be amended by inserting after the word "two" in the third line, the word "twice."

Are there any comments?

Mr. Wildman: I want to emphasize at the outset that, in this amendment, I am not requiring the government to spend any money. The Legislature, if it were to pass this amendment, as I hope it will, is not requiring the government to allocate money.

I anticipate the arguments that may be made, so I would like the Chairman to refer to rule 15 under the standing orders which states, "Any bill, resolution, motion or address, the passage of which would impose a tax or specifically direct the allocation of public funds, shall not be passed by the House unless recommended by a message from the Lieutenant Governor, and shall be proposed only by a minister of the crown." I would submit, Mr. Chairman, that in this amendment we are not imposing a tax, certainly; neither are we specifically directing the allocation of public funds. We are simply giving the government the option, if they so desire at some future date, themselves to allocate public funds. But at no time are we directing them to do so.

I would emphasize that the subsection as it now reads says, "The minister may pay to the board annually out of the moneys appropriated therefor by the Legislature, an amount equal to . . ." All I am simply suggesting is a change which would give the minister the option, if he wished, to give money equal to twice the amount.

If we pass this amendment, we are at no time ordering the government to allocate funds. This would at least give the government the option of providing two for one, if they wished. We are not requiring it, we are suggesting to the minister that if he has decided that he doesn't want the bill to state that he must give two for one, all right, we will accept that—we accept it reluctantly, but we accept it. Certainly we want to give him the option that if he at some future date realizes it might be a good idea to give two for one for a specific service being provided by a particular board, or for that matter for all of them, if he decided that was a good thing he could then go to two for one, either on an individual basis or across the board.

Again, the decision would be the government's. It is not something that would be decided here or is being decided here. I would hope, Mr. Chairman, that in considering this proposed amendment you would really take into account the fact this is permissive. For that matter, I would hope the minister would realize it is permissive. He has made a great deal out of this whole bill by pointing out the fact—and we support the fact—that the whole bill is permissive.

The minister states that one of the great advantages of this bill is it does not force the community in an unorganized area to form a local services board. This bill gives them the option to make an agreement with the government for the formation of a local services board. The bill itself doesn't order the government or the people in the unorganized areas to form a board and to collect moneys and to spend them, or to provide services. We are simply expanding that option, that whole philosophy of the permissiveness of this bill, in proposing this amendment.

I am certain, considering the arguments that have been made by the minister previously, that he could certainly accept this amendment and I would hope that he would do so. I would hope that you will rule it in order, Mr. Chairman.

Hon. Mr. Bernier: Mr. Chairman, in the interest of time, I would like to assure members on all sides of the House that I will accept the honourable member's amendment. I think it is presented in a very positive way and a very constructive way. Being one of those individuals who wants to do all he can for the unorganized communities, I accept it with enthusiasm.

Motion agreed to.

Section 24, as amended, agreed to.

Sections 25 to 27, inclusive agreed to.

[8:15]

On section 28:

Mr. Chairman: Hon. Mr. Bernier moves that section 28 of the bill be struck out and the following substituted therefor:

"A board may incur a debt for the purposes of the board, but shall not incur any debt, the payment of which is not provided for in the estimates for the current fiscal year of the board unless,

"(a) it is a debt owed to the crown in right of Ontario, or;

"(b) the purpose for which the debt is to be incurred and the amount thereof is approved by a majority vote of the inhabitants present and voting at a meeting called for the purpose and the approval of the minister to incurring of the debt is obtained."

Hon. Mr. Bernier: Mr. Chairman, I think this was discussed at our last session. We

reviewed the comments and the suggestions of the member for Sudbury (Mr. Germa) and the member for Algoma. The member for Nipissing also made comment on this. This will allow the boards to enter into some longer term contracts. I would have to say we think it has merit. It may lend to certain efficiencies and we would like to advance it and hope the honourable members will support it.

Mr. Martel: Might I make a few comments? I appreciate why the minister moved this amendment because I think it clarifies the points we were concerned with. It is interesting, this is going to be an all-party bill by the time the minister gets done. I hope as he travels across northern Ontario he indicates the forthright manner in which the bill was debated.

Hon. Mr. Bernier: I'll be the first one.

Mr. Martel: You will be the first one. I am waiting to see in that report, what is it called—your publication?

Mr. Wildman: The Backgrounder.

Mr. Martel: Yes, The Backgrounder. I hope I will see that in The Backgrounder, when the next issue comes out. Usually all I see are three or four pictures of the minister.

Hon. Mr. Bernier: Refer to us as the Legislature.

Mr. Martel: No, no, I want you to be more specific than that. For a change, aside from all the pictures of the minister giving out cheques, you might consider—

Hon. Mr. Bernier: I don't have the photographer here who can get a picture of all of us together.

Mr. Martel: That would be a good idea. It would certainly be a change. I think the bill is taking more shape as we go along. It is slowly being amended and with its acceptance, it will not have to go through a division and be voted on and whatnot.

I think this has improved what we were concerned about. Although the minister indicated what he wanted the other night, it certainly wasn't in the bill. So having reviewed this, my colleagues and I find this much more acceptable than the original section 28. As I say, Mr. Minister, this is going to be an all-party bill by the time you are done.

Mr. Wildman: Mr. Chairman, I want to concur briefly with the comments of my colleague from Sudbury East. As the minister knows, I informed him earlier that prior to his introduction of this amendment I was going to introduce an amendment deleting section 28 altogether.

Since the minister has proposed this amendment, which really deals with the concerns raised by my colleague and myself and others in the House, although it still maintains a situation where the minister has some control over what decisions are made in terms of incurring debts I think most reasonable people would agree the ministry should be able to have some say in that sort of thing, especially since if there were to be a default, it would be a question as to who was responsible.

Again, I would concur with this and say, from my point of view as well, the amendment is acceptable.

Motion agreed to.

Section 28, as amended, agreed to.

On section 29:

Mr. Wildman: I would move an amendment to section 29(1). I apologize for the condition of it, Mr. Chairman, but I had to change it as a result of some changes that took place in other sections of the bill.

Mr. Chairman: Mr. Wildman moves that subsection 1 of section 29 of the bill be deleted and the following substituted therefor: "(1) A board shall engage an official of the ministry designated for the purpose by the minister to audit the accounts and transactions of the board and to make a report to it annually, or more often as the board requires."

Mr. Wildman: The purpose of this amendment is simply to give the ministry a greater responsibility with regard to the annual or semi-annual public accounting of the boards' activities. It seems to me it might be rather expensive for a board to engage a public accountant, especially when we are talking about some boards that may have a very limited income and a very limited function. It would seem to me it would be far easier for all concerned if the ministry were to make one of its officials available for the carrying out of an audit.

It has been suggested to me that one of the problems with this proposed amendment is that it would be taking away from the autonomy the minister has commented so much about during this debate that he wishes each board to have. I really can't understand that argument because surely the audit, which would be carried out as the present section is worded by a public accountant, would be available to the ministry. It's the ministry that's requiring the audit and I agree with that. I think the boards' books must be audited.

It is the ministry that is saying, however, that the audit must take place. I suppose one

could argue that was somehow limiting the autonomy of the board since the ministry is imposing an obligation on the board to carry out an audit. Since the ministry is going to do that and the board, at the behest of the ministry is going to have to carry out an audit, it seems to me it would be far easier for all concerned to have the ministry provide an official to do that work for the board.

Initially, when I was looking at this section and trying to figure out how we coud try to limit the cost to the board, I thought perhaps we could have some system where the ministry could tender out the audits for a number of boards across the north to be carried out by an auditor—a number of boards at once—which would probably lower the cost and in that way limit the expenditure required of the board. However, I frankly didn't see how we could word that. I didn't see how we could word an obligation under an act requiring the ministry to tender out such an auditing process. So I came to the conclusion that the ministry itself could do it.

At one point it was also suggested to me the Ministry of Intergovernmental Affairs might do it. But I shied away from that, as I know the minister would, because of the interpretation that might be put on it—that it would be saying we're getting the municipal affairs people involved in something and this isn't a municipality and we don't want it to appear to be a municipality.

It is my undertanding that in terms of a local services board, where there is a requirement for audits the Ministry of Transportation and Communications does do a great deal in assisting in this process and also in assisting the local roads boards in operating in general. I would hope there is the same sort of relationship between MNA and the local services boards.

For those reasons, I would hope the members of the Legislature would consider very carefully this amendment and pass it to ensure the boards could carry out an audit annually or more often as is required and requested by the ministry, but at little or no cost to the board itself.

Mr. Bolan: I can appreciate the concerns expressed by the member for Algoma. However, I think if we are going to try to leave some autonomy with these boards we should have an independent auditor look at the books. I am not suggesting for one minute if a ministry official were to go in he would cook the books. But I have said in this House many times there must be the appearance that everything is in order. I think the only way for it to be exhibited as such is for an independent auditor to be appointed.

When we are dealing with the examination of books it should be as independent as one can possibly make it. There is a cost involved and I can appreciate that. However, I think the problems or suspicions even, which may result by not having an independent auditor far outweigh the actual costs.

I can appreciate the member's concern. However, we will support the government on this amendment.

Mr. Martel: I understand what my colleague's concern is about and I am sure the minister does. If one looks at the audit for the very simple funding for members of the Legislature for election expenses, I think, the audits start at about $500. That is the fee we pay under that act.

I don't know what it costs to get an auditor. Let us estimate it is $500. We know the budgets of many of the small local services boards aren't going to be that high and I listened carefully to what my friend from Nipissing was saying. If they had to take, say, $500 out of an annual budget, then in some of the smaller local services board areas where there are maybe 50 or 60 families the ministry would be taking a major chunk of the budget away from them and they would not be getting any services.

I know my friend from Nipissing is aware of that, because some of those unorganized townships don't have more than 40, 50 or 60 families in them. If they have to put out anywhere from $300 to $500—and, as I say, I know that under the elections expenses legislation, it is $500 to the auditor—you could well make it nearly impossible for them to perform any functions within the local services boards you're attempting to establish simply because of an inadequate base on which to get funding. They're going to have to try to raise it.

Again, I'm not certain what the costs of auditors are. I only go by the election expenses legislation. My friend from Brant-Oxford-Norfolk (Mr. Nixon) has complained vigorously of the cost to us and our riding associations with respect to the audit. If they have to take $500 off the top then for these local services boards with merely a handful of people in some of them the audit could cost more than the limited funds that are available to get a street light.

I think my colleague raises a good point. I understand the concern of the member for Nipissing that it would have to be independent. None the less, if they eat up a major portion of their budget—and I've seen local roads boards budgets that aren't any more than $1,000—if they have to use half of it on

an audit, it doesn't really leave very much with which to bring some improvement to these small communities.

[8:30]

I don't know whether our amendment is the answer. My colleague has said he didn't know how to wrestle with the problem, but it is something the ministry has to grapple with because we might deter some of those small boards from even being able to proceed. They are just going to be strapped for money, as we know. It might be the ministry might provide the funding for the audit, though not on that one-for-one or possible two-for-one formula. In fact, the minister might say, "We will pay for the audit and let them hire their own independent auditor." My colleague was stuck because of his concern and how we could do it without incurring those costs.

I would ask the minister to consider something here because I think it could be pretty devastating.

Hon. Mr. Bernier: I want to say I appreciate the honourable member's concerns. When we discussed this question with UCANO, we went into it in great detail. UCANO was very strong in saying there had to be some check on an annual basis.

Let's be honest. The toughest thing to control in a small community is the funds. There is always a question mark, always suspicion and always unanswered questions. They felt very strongly they should have an audit.

I have to say something in all sincerity about our doing the audit. We felt, and UCANO felt also, they wanted that autonomy. They didn't want to be under our umbrella all the time. They felt there should be some independence. They felt the auditor should report directly to the community or to the organization, not to the minister. The local people are interested in the audit; they are the ones the auditor should answer to.

We looked at all the things that were brought forward by the communities in our discussion with them across northern Ontario. I think it is fair to say we will examine the budgets; there is no question about that. As they come in to us, we will look at their figures.

Since we are funding them, we also didn't want to get involved in a conflict. Certainly, as the member for Nipissing made note, there is that suspicion when government does it and this type of thing.

We looked at MTC. MTC does random checks now. It doesn't do an audit on every local roads board because it has become expensive. Whether we pay through the provincial Treasury or through the local services board for an audit, it is the same people who pay. It may be somewhere down the line, but they pay anyway.

After some very careful consideration, we felt very strongly an independent audit was the route to go. We looked at some vehicles we could use and we came up with two of them. Intergovernmental Affairs is drafting and coming forward with a very simple, uniform set of bookkeeping procedures. They will be fairly uniform right across the local services boards and as simple as possible and easy to understand.

We have examined already the possibility of encouraging some audit firms to look at those accounting procedures and become very familiar with them. Then we would try to steer the local services board. We couldn't appoint an auditor, but we could say, "Look, here are two or three auditors who are interested in doing all the local services boards within a given area."

We used to do this with the school boards. I was secretary-treasurer of the Hudson-Big Vermilion-Drayton-Jordan school township or whatever it was—it was a long name anyway. At that time, I was the local assessor. I was in charge of the school. I hired and fired all the teachers. It seemed to me I did everything.

It wasn't a very pleasant job at the time, I must admit.

At that time, as small communities, we all used one single auditor in Thunder Bay. He made it known he was very familiar with the operations of small school boards and was anxious to get their business. We sent our books down to him and he had them back to us in record time at a very nominal cost. It worked out very well.

It is that principle we would like to implement with the local services boards so that we would encourage some local auditors to become familiar with their workings. We would ask them as much as we could to be reasonable in their costs. We are going so far as to say to the local services boards, "We will pay one for one on the auditing expenses."

Mr. Martel: Are you going to do that?

Hon. Mr. Bernier: Yes, we will share the cost on a 50-50 basis for the audit. That's understood. That will take care of some of the extra cost to which the member referred. I appreciate his comments.

Mr. Chairman: Any further comments on the amendment?

All those in favour please say "aye."

All those opposed please say "nay."

In my opinion the nays have it.

Motion negatived.

Mr. Wildman: Mr. Chairman, since that amendment was lost, I should withdraw the earlier amendment I made to subsection 1, which was stacked by agreement last time.

Section 29 agreed to.

Sections 30 to 34, inclusive, agreed to.

On section 35:

Mr. Chairman: Hon. Mr. Bernier moves that the bill be amended by adding thereto the following section:

"35. Section 21 of the Provincial Land Tax Act, being chapter 370 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following subsection:

"(4) In determining for the purposes of subsection 3 the annual tax imposed under this act, no account shall be taken of any tax imposed pursuant to the Local Services Boards Act, 1979'," and that the present sections 35 and 36 of the bill be renumbered as sections 36 and 37 respectively.

Mr. Wildman: Mr. Chairman, I thank the minister for having given this amendment to us some time ago. I would say I'm in agreement with it. However, I just want to make the point that although this is in order, it would seem to me far more tidy to have brought in an amendment to the Provincial Land Tax Act so we could have got at that bill too.

Hon. Mr. Bernier: As a matter of interest, I know people who will be reading these debates will want to know the purpose of this amendment. It is to guarantee for the province that the minimum provincial tax amount of $6 will be protected. In other words, if an individual submitted to the Ministry of Revenue, as an example, $8 when his bill was $10 with $4 being earmarked for the local services board, then $6 would go to the provincial land tax. The provincial land tax would be taken out first and then the balance would go to the local services board, which we would match. In this case, they would only give $2 instead of $4. The shortfall would come from the local services board rather than the provincial land tax.

Mr. Wildman: Mr. Chairman, at the risk of sounding redundant, I would point out the main reason for requesting two for one is the very argument we've had many times that people in unorganized areas really don't get a lot out of the provincial land tax already.

Motion agreed to.

Section 35, as amended, agreed to.

Sections 36 and 37, as renumbered, agreed to.

Bill 122, as amended, reported.

On motion by Hon. Mr. Bernier, the committee of the whole House reported one bill with amendments.

THIRD READING

LOCAL SERVICES BOARDS ACT

Hon. Mr. Bernier moved third reading of Bill 122, An Act to provide for the Establishment of Local Services Boards.

Hon. Mr. Bernier: I would like to express my appreciation to all members of the House for their contribution to what I think is a very important bill for northern Ontario. I think many members who have been in this House for the last 10 or 15 years have identified a problem as it related to the unorganized communities of the north.

I think it is fair to say the Speaker of this House, the member for Lake Nipigon (Mr. Stokes), was one strong advocate of doing something for the unorganized communities. All of us on both sides of the House have tried to grapple with this rather difficult problem. I think it is fair to say Bill 102 caused a storm right across the north. It was too structured and too inflexible; it was a form of municipal government. It was obvious that the unorganized communities were not ready or willing to accept this type of structure.

As I said on a number of occasions during the debate in the House, we discussed this bill in detail with the unorganized communities association of the northeast and the northwest, and individually with the various communities.

There was the input from the members. I say that in all sincerity. I assure them I will mention as I move around northern Ontario that it was a co-operative effort. It shows when members are sincere and positive in their efforts this Legislature can come up with something the people of this province want us to do in a straightforward way to answer their specific request.

I am pleased the bill we submitted is basically intact. It is still flexible, it still gives autonomy and, above all, it will improve the quality of life in the unorganized communities of northern Ontario.

Mr. Bolan: Mr. Speaker, I would like to say one or two words on the third reading of this bill. I also would like to express gratitude to those people who worked so hard to put this bill in place. I am thinking of the people from UCANO. As the minister knows, without their input I doubt very much that the bill would have gone through in its present form.

I might also say this is not the first attempt made by any Legislature of Ontario to provide some mechanism for unorganized townships to operate and to raise funds. In fact, if memory serves me right, this is the 15th attempt made by various Legislatures, going back probably to 1882 and 1886 when the great leader of the day, Sir Oliver Mowat, made a vain attempt at introducing a bill to assist the unorganized communities.

Mr. Conway: I remember it well.

Mr. Bolan: We all remember those days, of course. Those were great days and I might say they are coming back.

I really would like to express to the minister my own gratitude for the manner in which he has presented the bill. We don't agree with everything by any means; there has been some fairly heavy debate on various sections of the bill. I must say to the minister I am pleased to see he has shown some flexibility with respect to the two to one. I am sure it goes without saying that it is because of the wise arguments which were presented in the House that the minister and his government—I won't say have seen the errors of their way, but rather were led to benefit the people of the unorganized communities by this kind of funding.

Mr. Wildman: Without wanting to prolong this, Mr. Speaker, I would like to make some comments on third reading of the bill.

Mr. Acting Speaker: I would have been surprised if you hadn't.

[8:45]

Mr. Wildman: I thought you would be.

I add my congratulations to those of my colleagues to UCANO East and UCANO West, Mr. Violette and Ms. Davis from Hurkett, in their efforts to sell this idea to the minister and to the people of the unorganized areas in northern Ontario. If the minister wishes now to embark on a tour of the north with his officials, as he did at the time he introduced the bill, I would be very willing to accompany him and to take part in any debates and discussions about the implementation of this new piece of legislation.

I think it is a tribute to the co-operation of members from all sides. It is unfortunate—and I mean this sincerely—that the representatives of UCANO came down so many times and yet were not here to see the passage of the bill. However, I want to emphasize that it was certainly worth it, as my colleague from Sudbury said. If we had rushed it through last time, perhaps we wouldn't have been able to get the minister to agree to at least the two-for-one option we were able to get him to agree to this evening.

I think that's a major step in giving more flexibility to the bill and in making it possible for small communities to get the moneys they need. I'm glad I was able to propose this kind of change and that it was acceptable to the minister.

I would say in general the bill is a step forward. I agree very sincerely with the minister, it's an important step in that, unlike Bill 102, it also allows a local community to decide whether it wants to go this route. I hope many of the local comn.unities will decide to take advantage of the legislation and that in the first couple of years we will have the experimentation I think is going to develop in this. Perhaps the minister will then come back to the Legislature with whatever changes his ministry officials feel are necessary to make this a bill that responds more to the needs of the small communities in northern Ontario.

I notice the minister has his officials under the gallery. I want to thank them for the co-operation they have given me, not only during our trips across northeastern Ontario, when I followed them around—

Mr. Martel: Did they invite you?

Mr. Wildman: I wouldn't say they didn't invite me. They were always very co-operative whenever I was at a meeting. I appreciated their help and their discussions with me when the bill was going into committee. That led to the minister bringing in an amendment which recognized the validity of the secret ballot, which I consider a major change in the bill. I'm glad we were able to convince him we should not return to the 19th century in terms of electing people for these boards.

Also, I notice there are some officials from the Ministry of Intergovernmental Affairs under the gallery.

Mr. Rotenberg: That's for the next bill.

Mr. Wildman: I know. But I would hope that Mr. Donaldson is keeping an ear on this debate with regard to the area north of Sault Ste. Marie, which has been loosely called Sault North. Perhaps his colleague Mr. Shtern is also considering that when they are looking at changes along the north shore. People in that area have not been too receptive to a number of the suggestions made by that ministry.

I think that's also true of the Ministry of Intergovernmental Affairs study in the Hearst area, where a number of people have said,

"Thanks but no thanks." I think Mr. Violette has been very quick to rush up there and say there's another option. Perhaps this is an option that would be available to some of those communities the Ministry of Intergovernmental Affairs has been suggesting should go another route. Hopefully, there will be some experimentation and we will see whether this is a viable route.

I want to thank UCANO for its co-operation and hard work and the ministry for its receptiveness to the suggestions we had, even though we couldn't persuade them to go two for one all the way.

Motion agreed to.

MUNICIPAL FRANCHISES AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 146, An Act to amend the Municipal Franchises Act.

Mr. Conway: The man who would be mayor.

Mr. Rotenberg: At least I ran for it. It's more than you ever did.

Mr. Speaker, this bill seeks to clarify and strengthen section 10 of the Municipal Franchises Act. Section 10 provides: "Where a franchise bylaw between a gas company and a municipality has expired, or will expire within one year, and the two parties"—that is, the municipality and the gas company—"are unable to agree on new terms, either party may apply to the Ontario Energy Board for an order renewing or extending the franchise."

If the board makes such an order, section 5 provides that the order "shall be deemed to be a valid bylaw of the municipality concerned for the purposes of section 58 of the Public Utilities Act."

Concern has been expressed that the subsection does not explicitly deem the order to be a valid bylaw for the purposes of section 3 of the Municipal Franchises Act. That provision prohibits a public utility from acquiring the right to use or occupy municipal roads, from constructing or operating a system or from supplying gas in a municipality unless a valid franchise bylaw is in force.

This bill proposes to eliminate the concern by amending section 10(5) to provide that a board order shall be deemed to be a valid bylaw of the municipality for all purposes of the Municipal Franchises Act as well as section 58 the Public Utilities Act.

This matter was drawn to our attention because a specific municipality went to the Ontario Energy Board, lost its case and accepted the decision. But, quite naturally, the municipality does not want to pass a bylaw that goes against the stand the municipality took. They're quite content to have the Ontario Energy Board order enforced, but they do not want to pass the bylaw.

Some doubt has been cast as to whether the present franchise agreement is legal or not. That has been drawn to our attention, and the purpose of this legislation is to clarify this point—so the order of the Ontario Energy Board will be deemed to be a bylaw, not only for the Public Utilities Act, but also for the Municipal Franchises Act.

I commend this bill to the House.

Mr. Epp: Mr. Speaker, we notice it's been about five weeks since this bill received first reading. We notice it's a very short bill—about five pages in length. It's been about five years since there has been any amendment to it; so obviously there would be those people who would have some cynicism about it, that bills have to be amended every three years, whether it is necessary or not, in order to keep some people in the business.

We notice that a certain gas company, Union Gas Company, from a particular area, made representation to have this changed, despite the fact that solicitors from all quarters of the province have indicated that the changes were necessary. However, there are those of us who think the change, whether necessary or not, is before us because of special representation being made.

The act itself, as the members will notice, deals with the Ontario Energy Board and with the consent that the municipality has to give through its bylaws. Although the amendment itself is in section 10, it's more relevant to section 3(1). In essence, what it says is that the municipality by bylaw, has to give consent. If the Ontario Energy Board has the opportunity, indeed the responsibility, to make a decision, then it would be deemed to be as if a bylaw were passed by the municipality itself.

I would like to ask the parliamentary assistant for the ministry to give some elaboration on the cases that have come before it with respect to the need for this bylaw. I know he briefly referred to one, but I think this House deserves a better explanation than that. To what extent has this gone before the courts? At what point is it before the courts right now? Have there been any appeals, are any appeals pending and so forth? I think this House deserves a fuller explanation of that particular point. If we are asked to pass and to support a partic-

ular act, I think it is necessary to have that explanation.

It is obvious from this bill and from other legislation that has passed that the Ontario Municipal Board are overseers, or protectors or guardians of municipalities. They wear some kind of restrictive belt, I suppose, so that municipalities don't err in any way in their decisions. If they do err, there is always the energy board and the municipal board to oversee their decisions and to make sure, if they do err, that correction is made forthwith.

We will be supporting this bill. We have no amendments to the bill, because we think that it is simply a clarification. However, I would want the parliamentary assistant to give us a greater explanation of the question I raised just a few minutes ago.

Mr. Isaacs: Mr. Speaker, we also shall be supporting this bill. We have no particular questions to ask, having been on the other side of the operation myself and having had an instance in my own municipality where there was some very minor confusion, I suppose, about the validity of a board order extending a municipal franchise. It appears to me to be something that is necessary; it is something that has come before us because the lawyers, in their poring over this legislation, have found something that is not laid down quite as tightly as it should be.

While rising to speak on this bill, I want to make a couple of very brief remarks concerning municipal franchises for gas utilities. The bill refers to the extension of a municipal franchise in a circumstance where the municipality and the gas utility have not come to an agreement. That circumstance normally arises where there is some dispute between the municipality and the utility over the level of service provided to the municipality. It seems to me we need a better way of resolving these kinds of things than having the Ontario Energy Board involve itself.

We need a mechanism whereby municipal gas service is available to residential and industrial users who require it. We need a mechanism whereby the gas companies can respond in a better way to the needs of consumers in Ontario. While I recognize this particular bill is getting us over a problem, I hope the parliamentary assistant can give us some assurance that his government is looking at this problem in a much broader context, and that we can be assured that at some time in the future there will be mechanism whereby the gas companies can be encouraged to provide service to customers who are not currently getting gas service but who would very much like to.

Those are the kinds of disputes that are arising. I am not thinking of rural areas, where there is a different kind of problem, but of urban areas and of growing areas around our towns and cities, where new subdivisions could benefit from the kind of service provided by a gas company in this day and age, when gas is the preferred fuel for heating of homes.

[9:00]

There is no mechanism at the moment whereby the gas companies can be made to provide service. I think that is a failing of our system. I am sure the parliamentary assistant realizes that some of us in this party would have a solution that goes somewhat further than I imagine his government would want to go.

I hope he can assure us the government is looking at these kinds of issues and that some time in the future there will be a mechanism whereby a person who lives in an urban area and wishes to get gas to heat his home can be provided with that service. That mechanism does not exist at present, unless the gas utility desires to provide the service to the customer.

We will be supporting this bill; we have no amendments to it, and I look forward to the response from the parliamentary assistant.

Mr. Rotenberg: Mr. Speaker, the Ontario Energy Board, like the Ontario Municipal Board, is in this case the arbiter when a municipality and a private utility cannot agree. Partly in response to the member for Wentworth (Mr. Isaacs), I say that the whole purpose of having the energy board is where a municipality for some reason doesn't want to have the utility in there or the gas company wants exorbitant terms to put the utility in there. Then the energy board's function is really to step in the middle, to be the arbitrator—compulsory arbitration—and to set forth the terms and conditions under which the utility will be put forward in the municipality.

The member for Waterloo North (Mr. Epp) asked about the number of cases before the courts and so on. This is really the first time this matter has been drawn to the attention of the ministry. The matter has not yet been before the courts, and the purpose of this legislation is so that the matter will not go before the courts. The courts are crowded enough; they have enough to do, without having these kinds of matters go before them when they can be settled for this case and all future cases by a very simple clarification of the legislation.

There has not yet been any litigation. The fear is, if this act is not passed, and if unfortunately there were an accident in the township where the dispute has arisen, there might be some question of liability. There is a question whether, when a franchise expires, those gas pipes are still legally within the municipality.

There is some question in the mind of the utility, if it doesn't get this legislation, whether it will continue to supply gas. It may be deemed to be there illegally by a court in future, and this might have quite an effect on the liability concerned. So the concern of the ministry is simply not to wait until there is a court case, not to wait until there is a real problem. In effect, this is preventive legislation and for clarification so there will not be a court case in the future.

The member for Wentworth has asked some very interesting questions. However, I would say he is getting into the whole problem of energy policy, which is really a matter for the Ministry of Energy. I would hope he and his colleagues would raise the matter in that ministry's estimates if they are not too pleased with the form of ownership of the present utility companies. I wish they would, at some appropriate time, discuss with the Minister of Energy the long-term policy of public utilities—and that, of course, is their right. But, with respect, I would suggest long-term energy policy, and the ways in which public utilities—particularly natural gas—are distributed, really are not relevant to the discussion of this bill tonight.

I thank the two opposition critics for their support of this bill, and I would commend it to the House.

Motion agreed to.

Ordered for third reading.

LOCAL IMPROVEMENT AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 147, An Act to amend the Local Improvement Act.

Mr. Rotenberg: Mr. Speaker, this is another situation where a matter has come to our attention. It is a matter that has come before the courts. This bill is a matter of clarifying the present legislation.

The purpose of this bill is to make clear that a majority of the members of a court of revision constitute a quorum and that a quorum is and always has been sufficient to exercise all the powers and duties of a court of revision. This amendment has been requested by the city of Chatham because of its concern about a court case that is expected to cast into doubt the validity of a decision made by the municipality's court of revision where a majority, but not all of its members, conducted the hearing. Several million dollars in special assessments are involved in this municipality alone.

If allowed to stand, such a court decision could have some very serious financial consequences for Chatham and for many other municipalities in Ontario. What this bill is really saying is that a majority, that is, two out of three or three out of five, of the court of revision sitting on assessment reviews will be deemed to be a quorum of the court and will always have been deemed to be a quorum of the court. As such, I would recommend this bill to the House.

Mr. Epp: Mr. Speaker, I might say from the outset that we intend to support the bill. It is a coincidence that this particular court case arises from a decision of a Chatham council. As we know, we just dealt with Bill 146, which had to do with a company that comes from Chatham. There seems to be a lot of legislation emanating from that part of the country all of a sudden, almost more with assessment and so forth than there was only two years ago, when they seemed to have more direct representation in the executive council of this province.

Nevertheless, the bill does clarify the fact that if, for instance, three of five members of a particular court of revision are present to deal with special assessment appeals, then they have a quorum to deal with that and, if two out of those three members happen to make a decision, then that legitimizes that decision. We have no argument with that. We think that's a right and proper way to go.

We will support this bill, and we have no amendments to it.

Mr. Isaacs: Mr. Speaker, we support this extension of a fairly normal democratic principle to courts of revision considering local improvements. If I make some remarks about local improvements in general, I know the member for Wilson Heights (Mr. Rotenberg) will respond that it's not connected with this bill. Therefore, I will resist the temptation to do that and simply indicate we are supporting the bill.

Motion agreed to.

Ordered for third reading.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 172, An Act to amend the Municipality of Metropolitan Toronto Act.

Mr. Rotenberg: Mr. Speaker, this bill contains five amendments to the Municipality of Metropolitan Toronto Act, including certain changes requested by the council of the municipality of Metropolitan Toronto.

The bill proposes to permit Metropolitan Toronto to impose a sewer service charge on those persons having a private waterworks system and discharging waste water into the Metropolitan Toronto sanitary sewer system. Another change requested by the Metropolitan Toronto council would enable the Metropolitan Toronto corporation and any of the area municipalities to enter into an agreement for the purpose of participating in a joint group liability insurance plan and joint funding of the deductible amounts of such a plan.

The bill also includes an amendment to provide for the name of the board of education of the city of North York in recognition of the erection of the city of North York on February 14, 1979. When that happened last February, we changed the name of the council of North York, but we did not change the name of the board of education for the city of North York.

Another amendment effecting the financing of permanent improvements by school boards is being made to complement the government's proposal for providing front-end grants towards the cost of school board capital projects. That is, Metro at the present time can spend two mills out of current revenues for capital projects, and this bill will make it clear that they can spend two mills out of current revenues after the front-end payments by the provincial government.

Finally, the bill contains a similar change as in Bill 152, which we passed several weeks ago, to enable the Metropolitan Toronto corporation to enter into long-term contracts for the purchase or rental of machinery.

These five simple amendments to the Metropolitan Toronto Act are before you, Mr. Speaker, and I would ask the support of the House for this bill.

Mr. Epp: Mr. Speaker, we will support this bill in principle and indicate we are glad the government of the day finally recognized earlier this year that some of the boroughs in the Metropolitan Toronto area wanted to have city status. It is a move this party has recommended for some years; indeed, we put forth a private member's bill. It was unfortunate that at that time there was an oversight and the change did not apply to the board of education of North York. This obviously will be corrected by this particular bill.

The school board financing of permanent improvements, which are upfront grants, will afford the municipalities another opportunity to finance those grants; in fact, by having the two mills applied and getting the grants up front, in actual fact they will have more money initially to pay off the various permanent improvements. We obviously endorse this particular move and feel it is a step in the right direction.

There are a number of municipalities that have asked for the opportunity to have joint liability insurance plans and to fund jointly the deductible amounts of the plan. These requests have been made by some municipalities in Toronto, but they have also been made by other municipalities, and I presume those amendments will be made to the proper bills in the near future.

This is obviously another move which shows municipalities are becoming more mature, and that they are being recognized as being more mature and constantly being given more responsibility in exercising the various powers under their jurisdiction.

We therefore support this particular bill, and we have no amendments to make to it.

Mr. Isaacs: Mr. Speaker, we too will be supporting this bill, but I have a few brief comments.

With respect to the extension of the user-pay principle to the use of sewer services, if one goes along with the user-pay principle for sewer services—in other words, a sewer levy on top of the water rate—then it's only fair that this be put in place.

However, I would like to hear a response from the ministry as to whether it is their view that a user-pay system for sewer services should become the norm in the future and, if so, whether other municipalities will be given this same power that Metropolitan Toronto now is being given.

My understanding is that this is the first time this particular section has come before the House in dealing either with a regional municipality or with a municipality of the lower tier which is responsible for its own sewer services. I would be very interested to hear whether this kind of thing will be extended right across the province and whether it is regarded as a principle that municipalities might move towards.

With regard to the board of education name, I really have very little comment, although I think the parliamentary assistant might be interested to learn that when this matter was dealt with by our caucus, and given the hearings that were held this summer before the justice committee on Bill 19,

there was a suggestion made that we ought to be changing the name of that board of education to something far less flattering than the proposal that is put forward in this bill.

[9:15]

With regard to the controlled expenditures for permanent improvements, we have no objection to that section. It is a logical extension of the normal understanding of capital financing—that is, that permanent improvements and major expenditures and upgrading of physical plant are considered as capital expenditures rather than as operating expenditures.

On the other hand, this is in a sense violating the principle of local autonomy. It is suggesting to school boards, and ultimately to municipalities, the maximum amount that should be put on the mill rate for any one purpose. While we have no objection to the extension as it is proposed in this bill, that is something we would hate to see brought in in other areas. It is a component of the total package of the new funding of school capital works that is being dealt with under a separate bill which we will be discussing here, I assume before Christmas. I want to go into that at greater length at that time. But with regard to the single item that is contained in this bill, it is not inappropriate; but it may not be, as a concept, the right direction to go in the long run.

With regard to the final matter, on agreements for insurance, I would like the parliamentary assistant to advise us why he feels it necessary to make the Metropolitan Toronto corporation always one of the parties to such an insurance agreement. That is the wording contained in this bill. Would he also advise us whether his minister might not be prepared to consider a circumstance where any two or more municipalities could co-operate for the purpose of obtaining insurance?

I would hate to see this matter limited to Metropolitan Toronto. There are sometimes major savings to be gained in the bulk buying of insurance contracts. It seems a little strange to me that in this bill the wording is such that the Metropolitan Toronto corporation and one or more area municipalities may enter into an agreement. It would seem to me it would have been more appropriate to suggest that two or more municipalities might enter into an agreement and leave it completely at the discretion of the municipalities concerned.

In that regard, too, the parliamentary assistant is already aware of the objection we have brought forward with regard to obtaining insurance for the protection against liability suits of elected and appointed municipal officials. We continue to have that objection, and we note—with some pride, I guess—that some of the municipal officers now are beginning to echo some of the concerns we have previously brought before this House.

However, we can't see a mechanism by which the section that is before us at the moment could appropriately be amended to deal with those concerns. Therefore, we will let the comments rest as they are. We have no amendments, and we will be supporting this bill in total.

Mr. Warner: Mr. Speaker, my colleague from Wentworth has very quickly established himself as a knowledgeable critic in this field in the House. He has put forward most of the points to be covered.

I have one item on which I would like some clarification from the parliamentary assistant who is carrying the bill. That is, regarding the change of the name for the board of education. In so doing, he has made it retroactive to February 14. Will that pose any problems for any legal transactions they may have had which did occur between February 14 and this date—any bills which were owing and were paid, or any suits which were brought against the board, or any other transactions?

I am always concerned about retroactivity. It brings to mind that there may have been some legal ramifications which we are not aware of. I would just like to know, before we pass this bill, whether the minister could clarify the legal status of the transactions between February 14 and today.

Mr. Swart: Mr. Speaker, I want to comment very briefly on section 4 in support of what was said by my colleague from Wentworth. He has dealt very briefly and concisely with the whole bill, but I share his concern with regard to section 4, with the limitation that is placed on the amount of money the boards of education may spend with regard to capital expenditure in any given year.

It seems to me this change is an improvement, because formerly they could spend up to the amount of equal to two mills. Now they can spend up to the amount that two mills will give them, plus the contribution from the provincial government.

I want to point out to the member, and I hope he will comment on it, that I still think that limitation is too great. I don't really know that there needs to be any limitation there at all. I think we can trust the munic-

ipality and the school boards to set what they feel to be reasonable levies.

Mr. Speaker, with your background with educational boards and municipalities, I know you would agree with that. It seems to me at this time, when interest rates are so high, if a board decides it would rather raise a bit more money and spend it at this time instead of paying the high interest rates over the years, it should have the right to do so.

I would like to ask the parliamentary assistant if he would express his views on that matter and explain why we are setting these limitations. I know that kind of limitation is general throughout the educational system, but we are making some slightly innovative moves in other fields; let's try this here with regard to the Metropolitan Toronto corporation and see if it won't work. Then maybe we could remove this limitation, this straitjacket, that we have on other municipalities and school boards.

Mr. Rotenberg: Mr. Speaker, I thank the members opposite for their support of this bill.

To comment briefly on the matters raised by the members opposite: First, the member for Waterloo North (Mr. Epp) in discussing the joint insurance plan has indicated that other municipalities have expressed interest in a similar type of legislaton. To the best of my knowledge no such request as yet has come to the ministry. When they do they will be considered and I'm sure this matter for Metropolitan Toronto will be considered as a precedent. If we have other requests, and if it seems to be appropriate, this may shortly find its way into general legislation.

The member for Wentworth (Mr. Isaacs) was discussing the sewer services and the user-pay concept. I think he is aware that this applies only to those in Metropolitan Toronto who do not pay water rates. There are a number of industries and businesses which draw their water directly fom the lake, which do not take their water through the Metropolitan Toronto system and which, therefore, do not pay water rates.

In the case of everyone in Metropolitan Toronto who pays water rates, part of the charge on the water rate is deemed to be a charge for the sewer services; this applies to Metropolitan Toronto and many other municipalities across the provinces. But those who draw water directly from the lake do not pay anything to the sewer services, as do the vast majority of water users. This simply gives Metropolitan Toronto the permissive legislation to charge those people who draw their water directly from the lake, and discharge it through their sewer system, the amount for the sewer part of the water rates that are charged to those who pay their water rates through Metropolitan Toronto.

There has been discussion, by both the member for Wentworth and the member for Welland-Thorold (Mr. Swart), about the problem of the two-mill maximum. The purpose of this legislation is simply to clarify that the government grant now will be an upfront grant rather than part of the annual amount towards per capita cost; the upfront grant will not be considered to be part of the two-mill levy, because the upfront grant will be more than two mills. So the municipality of Metropolitan Toronto now can raise and spend two mills of their own money, over and above the grant that is given by the province of Ontario.

Both the member for Wentworth and the member for Welland-Thorold seemed to be raising the point that possibly we should be reconsidering that two-mill grant. Possibly Metropolitan Toronto or some other municipality should have this ceiling lifted and have a free rein to spend as much as it wants out of current and as much as it wants out of capital. I think there would be considerable flak from the municipal councils if we, in effect, gave the school boards free rein to spend a lot more capital out of current and, therefore, raise the mill rate every year.

However, the point the two members raised is one of interest. I will say to the members opposite that in considering this amendment we didn't consider the overall philosophy of the two-mill limitation. It was simply to make sure the two-mill limitation still applied after the provincial grant rather than before. When we get into a general review of this, we will take into account the points raised by the members of the New Democratic Party.

The member for Wentworth also raised the matter of the joint insurance reserve fund and asked why two municipalities in Metro couldn't do this on their own without Metro's participating. This is really a response to a request from Metropolitan Toronto and its six area municipalities. If I may, I will read from the request that came to us, which is a report adopted by the Metropolitan Toronto council on August 10, 1979. Members will note it has taken us no more than three months to respond to a request from Metropolitan Toronto.

Part of this report reads: "Several meetings have been held with the area municipalities' treasurers and the insurance consultant engaged for this purpose. It has been

agreed that the most effective method of administering such a group liability insurance plan is through an insurance reserve fund maintained to meet self-insurance and applicable claims-adjusting costs on behalf of all participating municipalities, including Metro."

In effect, the Metropolitan Toronto officials and the officials of the six area municipalities got together and decided this was the way they wanted it; they wanted the joint plan and they wanted it to include Metro and basically, to be administered by Metro. That is why the legislation is here in this form, which is in the form requested by the municipality of Metropolitan Toronto as endorsed by its area municipalities.

I think I have covered the matters raised by the members opposite. I want to thank them for their support of this bill, and I commend it to the House.

Motion agreed to.

Ordered for third reading.

SECURITIES AMENDMENT ACT
(concluded)

Resumption of the adjourned debate on the motion for second reading of Bill 156, An Act to amend the Securities Act, 1978.

Hon. Mr. Drea: Mr. Speaker, I didn't adjourn the debate. The member who adjourned the debate isn't here.

Mr. Speaker: Is there any member who wishes to speak on Bill 156 on second reading?

Mr. Breithaupt: I believe my colleague the member for Rainy River (Mr. T. P. Reid) had adjourned the debate to give other members the opportunity to speak. I am certainly content that the debate continue.

Motion agreed to.

Ordered for committee of the whole House.

CERTIFICATION OF TITLES ACT

Hon. Mr. Drea moved second reading of Bill 148, An Act to revise the Certification of Titles Act.

Mr. Breithaupt: Mr. Speaker, I was not aware we were going to proceed immediately with these three bills and I don't have my files with me. There is nothing I can do about that, unless some other member wishes to speak on the bill. Then I can obtain my information and speak to it.

[9:30]

Mr. Speaker: I think it only fair, since we're embarking upon a legislative program this evening and weren't given notice, that we provide the honourable member with an opportunity to get his notes.

Do you have an opening statement?

Hon. Mr. Drea: Mr. Speaker, I already gave an opening statement. It was my understanding that relatively recently there was an expression that these three bills could go on tonight. I certainly apologize to the member for Kitchener (Mr. Breithaupt), the critic of the ministry, in that he wasn't consulted. I assure you, Mr. Speaker, that was beyond my control, or I wouldn't have moved second reading of the bill.

When these bills were introduced, I pointed out they were housekeeping in nature. Bill 148, An Act to revise the Certification of Titles Act, has to be taken in context with Bill 149, An Act to amend the Land Titles Act, and Bill 150, An Act to amend the Registry Act, because they are complementary in many respects. The prime function was one of housekeeping. It was to remove certain archaic sections as well as to streamline those acts for the introduction of an automated system, more commonly known as Polaris. While the amendments may be of a housekeeping variety, nonetheless there were certain sections that have been removed.

It is my understanding that, because of the lateness of the hour, the parties opposite would prefer to proceed on another night. I am agreeable to an adjournment of the debate. It really isn't anybody's fault. It was an attempt to arrange something to fit the business of the House tonight. Apparently, the signals just didn't work. I want to assure the members opposite that I understand the position and am perfectly prepared to go on another night.

Mr. Roy: Mr. Speaker, while we're waiting for my colleague, I have certain questions to the minister on the legislation.

Hon. Mr. Gregory: I think it's a problem that was nobody's fault, but it was a case that we hadn't planned enough legislation for tonight.

Mr. Speaker: Does either the honourable minister or the member for Kitchener wish to move the adjournment of the debate?

Mr. Breithaupt: I'll move the adjournment, if that's what's wanted.

Mr. Speaker: We have to dispose of this question one way or another before we move the adjournment of the House.

Hon. Mr. Drea: Mr. Speaker, if I recall correctly, a moment ago I offered to move the adjournment of the debate.

On motion by Hon. Mr. Drea, the debate was adjourned.

The House adjourned at 9:34 p.m.

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No. 119

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Third Session, 31st Parliament
Tuesday, November 27, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, NOVEMBER 27, 1979

The House met at 2 p.m.

Prayers.

ORDER PAPER CORRECTION

Hon. Mr. Gregory: On today's Order Paper, Mr. Speaker, under private members' motions tabled on November 26, 1979, item 42 was a resolution accredited to the member for Hamilton West (Mr. S. Smith). This should have read the member for Simcoe East (Mr. G. E. Smith). We ask that that be corrected.

Mr. Speaker: The correction is duly noted.

STATEMENT BY THE MINISTRY

ROYAL ONTARIO MUSEUM

Hon. Mr. Baetz: Mr. Speaker, as I promised this House on October 16, I would like to bring honourable members up to date on the status of the Royal Ontario Museum's renovation and expansion program. I will keep this House informed as the renovation and expansion program progresses and as capital-funding negotiations which are now under way are completed. I am not yet in a position to present ROM's 1980-81 operating grant.

As honourable members know, ROM's renovation and expansion program is ambitious and visionary. It has been planned in three distinct phases.

The first phase, construction of a modern curatorial centre, is already under way. The curatorial centre is scheduled to open in the spring of 1981. It will do two important things for the museum.

First, it will provide first-class physical facilities for the museum's celebrated collections and its community of scholars. Second, the curatorial centre will free for public use and display approximately 28,000 square feet of space in the main building that had given way over the years to pressing needs for offices and laboratories as the staff and scientific activities of the museum had grown. This represents an increase of more than 40 per cent in the space that has been accessible to the public in recent years.

The second phase, renovation of the main museum buildings, is scheduled to begin next Monday. The renovation program is to be conducted in stages of 28 months. The schedule prescribes that there will be only 15 months in which the whole of the main building will be closed to the public. Compare that with the two and a half years that the Montreal Museum of Fine Arts was closed and the five years that the Victoria Building of the National Museums in Ottawa was closed for renovations. The ROM renovations are essential for the safety of both the public and the museum's collections. Those collections must be stored with time-taking care to ensure that they will be sustained for future generations.

When you consider all those factors, I know you will appreciate how effective ROM's planning has been in keeping disruption of public viewing to an absolute minimum.

One last word on the main building's closing schedule for my friend from Rainy River (Mr. T. P. Reid) and those who have a special interest in the mineralogy and geology galleries. These galleries will not close next Monday. They will be open to the public until 1981 and only then close for renovation.

During the whole renovation period, ROM will be reaching out to offer public service with travelling school cases, museum-mobiles, the "Discover the ROM" van and lectures by its specialists.

The third phase of ROM's program, namely the construction of a new set of galleries called the Terrace Galleries, is scheduled to begin early next year. When they open, they will provide a place for vast new perspectives on our human heritage.

Financing of the third phase, the Terrace Galleries, has been uncertain, mainly because of the absence of a commitment from the federal government for financial support of the expansion and renovation program. Shortly before the May 22 election the then Secretary of State indicated that the only possible federal source of financial support might be Loto Canada. With the transfer of Loto Canada to the provinces in September, that federal source of funds also effectively disappeared.

Mr. Martel: But you have it now.

Mr. McClellan: You've got the money now.

Hon. Mr. Baetz: I was about to say that.

Mr. Speaker, the Loto Canada transfer was a very good deal for the people of Ontario and for the Royal Ontario Museum. It allowed me to announce on September 4 that my ministry was committing an additional $11 million grant to meet the balance required to cover the $44.25 million expansion and renovation budget.

We were not, as has been cynically suggested, suckered into making this commitment. On the contrary, we made it for three sound and compelling reasons. First, the Royal Ontario Museum needs first-class exhibit space and there is a firm commitment to putting it there. Second, the construction of the Terrace Galleries in conjunction with the other two phases is the most efficient, least disruptive way to proceed. Third, in the light of the escalating construction costs, further postponement on the start of the Terrace Galleries promised to result in those galleries not being built in this century or ever.

With our further commitment of $11 million the original expenditure budget of $44.25 million was met. In the meantime, the ugly and all-pervasive reality of inflation made its impact on ROM's renovation and expansion program, just as it has made its impact on all major building projects. The total capital cost now estimated is $49.59 million, or roughly $5 million more than the original budget.

The trustees at ROM are dealing with this situation and they are confident that they can cope with it. The board is overseeing the project management to ensure that effective cost control is maintained and that appropriate economies take place, so the museum gets the very best value for every dollar that it spends. Perhaps even more important, the trustees are waiting to hear about funding from an important and likely source, namely Metropolitan Toronto. The museum and Metro agreed some time ago to suspend negotiations until the contributions from the two senior levels of government had been ascertained.

It would be hard to believe that Metro would not make an important contribution to ROM's renovation and expansion program. As honourable members know, Metro has generously supported the Art Gallery of Ontario and the new Massey Hall. Both institutions are important to Metro. The Royal Ontario Museum is clearly just as important. All the people of Ontario benefit from ROM, but the people of Metropolitan Toronto benefit the most. The museum provides large and diverse recreational and educational benefits to all of Metro's citizens, particularly to the young people growing up in this area. It provides jobs and income directly. It also provides jobs and income in the tourist industry and the sectors from which it buys goods and services.

The museum expects to hear from Metro council in January 1980. Until it does, any discussion in this Legislature of these negotiations would at best be conjecture and, at worst, could be prejudicial to a favourable decision.

As the slogan for the ROM's expansion program notes, ROM wasn't built in a day. I would like to assure members the renovation and expansion program is proceeding. It will be brought to a successful conclusion making ROM not only the finest museum in Canada but among the very best in the world.

ORAL QUESTIONS

INTEREST RATES

Mr. S. Smith: In the absence of the Premier (Mr. Davis), I will address my question to the Treasurer.

With regard to the setting of oil prices, Ontario, although recognizing it is a federal matter, has made its position very clear. Ontario has also taken a position in general terms that the provinces should have more say with regard to economic policy in this country. Could the Treasurer, therefore, tell us what representations have been made to the federal government with regard to the high interest rate policy being followed by the federal government and the Bank of Canada? And, before he stands up to tell us he doesn't like high interest rates, may I just remind him nobody likes high interest rates?

The question is whether the interest rates are thought to be necessary or unnecessary. What representations have been made on behalf of Ontario and what is Ontario's policy?

Hon. F. S. Miller: I have been asked a similar question before. I believe I explained that when I was in Ottawa to meet with the Minister of Finance some three or four weeks ago I asked him at that time to explain what inside information he might have on this issue which led him to believe the high interest rate policy was the appropriate one to fight inflation at this time, and to maintain the value of the Canadian dollar.

He assured me then that after reviewing the alternatives it was his opinion as the minister responsible this was the proper policy.

The member may smile as much as he wishes.

Mr. S. Smith: Of course you assumed he believed he was responsible.

Hon. F. S. Miller: The fact remains, as he said at the time and as I had heard him say in public, many pundits and many other people who are not responsible feel quite free to offer all kinds of advice.

Mr. Peterson: You are not responsible. What advice did you offer?

Hon. F. S. Miller: I'm not responsible for it; quite right. I am responsible for certain things and I have really never tried to avoid the responsibilities I have. I am quite pleased, however, to recognize that when somebody else has the jurisdiction, the very most I can do is offer my thoughts on that matter. I told the minister at the same time that one of the great advantages of the system is one can offer advice in confidence, which I did.

Mr. S. Smith: Oh. By way of supplementary: Given the fact that oil prices are also the responsibility of the federal government and not the Ontario government and yet we didn't feel we had to give our advice on that issue in confidence—in fact, we shared it rather clearly, and correctly so, with all the people of Ontario and with the country—why does the minister feel interest rates require that degree of secrecy when oil prices do not? What is different about interest rates that forces him into such an amount of secrecy he feels he cannot share Ontario's position with this House?

[2:15]

Hon. F. S. Miller: I think the analogy isn't too bad. Once in a while the Leader of the Opposition is reasonably accurate.

In the one case, the decision had been taken. In the other case, it was about to be taken; in fact, it was a matter for public debate of great importance across this country. Ontario had a very real vested interest on behalf of all of its citizens in that matter. The Premier, the Minister of Energy (Mr. Welch) and myself felt very strongly that the merits of the Ontario position, which was clear and well thought-out and one which I am sure the Leader of the Opposition accepted, should be put before the voters of the country because they were reading them one way while we read them another.

Mr. Cassidy: Supplementary, Mr. Speaker: If the Treasurer isn't prepared to share with this House the views on high interest rates which he expressed to the federal government, would he at least join with me in condemning the recent announcement to their customers by banks in this province that overdraft rates are to be raised from 18 per cent to 21 per cent? Would he not contact the presidents of the major banks in this province to say that is a completely outrageous and unacceptable kind of levy on people who happen to have overdrafts and small business people in Ontario?

Hon. F. S. Miller: I accept the very real problems for the small businessman and for individual home owners. There are many parts of society that can live with a high interest rate and charge it off against something. Most small businessmen cannot and most home owners cannot.

My own personal inclinations, which I gave very early in the game, as a person who has listened to arguments on both sides of the fence or on both sides of the issue, are that while inflation will be immediately created by a slightly lower interest rate, the stability of the Canadian dollar today is very good because basically it is being seen by the world as an energy-based currency and probably could sustain the attack some fear would occur if interest rates here were not quite as high as they are.

Mr. S. Smith: By way of supplementary, since the Treasurer agrees that small businesses and, while he didn't mention it, but I am sure he agrees also, the farm sector are very much hurt by this, could I remind him that in 1973 the chartered banks in mid-May introduced a dual lending rate structure under which the base lending rate for a small business and farm loans were distinguished from the prime rates for larger loans? There was a two-lending-rate structure in 1973 following certain urgings from the Bank of Canada.

In the first place, why did the Treasurer make no representations on this subject to the Minister of Finance, and to the committee of Parliament that was looking into the interest-rate matter? It was not yet a total fait accompli. There was a committee looking at the matter. In the second place, why has the Treasurer not urged the federal government to tell the chartered banks to introduce the two-interest-rate structure again?

Hon. F. S. Miller: Interestingly enough, in the last few days we have begun to see the effects of the policy. I think it was generally reported in the press within the last day or two that the GIC rates issued by trust companies have been dropped a bit, that the total demand for mortgage moneys has dropped and that as of yesterday at least one of the banks has dropped its long-term interest rate down.

There is a short-term interest rate and a long-term interest rate. The two traditionally had some relationship, but of late there has

been much more variation. I think the member's economic critic would agree with that because one is not predicting the current levels to last very long. The fact remains that the monetarists, the people in the States who are intent on wrestling inflation to its knees or wherever one wrestles it, have decided that this is an essential part of the process whether we like it or not.

The two-rate structure is very difficult for banks to follow, as members know. In fact, they are currently paying under a free system as much as 14.25 per cent on some of their short-term money. I am looking at the Liberal critic. I don't have any money to lend. I know he has and he could confirm very quickly what he is getting on it. I only know what one pays for it. I have traditionally not quite followed the biblical directive of neither a borrower nor a lender be. I am a borrower and he is a lender.

I can only say the banks currently are paying a fairly high rate.

Mr. Mancini: I have a supplementary question for the Treasurer. In view of the fact that the interest rates over the past few months have gone up in stages and not all at once, which, therefore, gave him the opportunity on several occasions to oppose higher interest rates, could the Treasurer tell the House if, on any one of these occasions after the interest rates have been upped by the federal government and the Bank of Canada, he made representation that the interest rates were high enough and that they should not go up any higher, and that was the view of the government of Ontario on behalf of the consumers of Ontario?

Hon. F. S. Miller: Mr. Speaker, I had expressed my very real concern on the effect of those interest rates on the business community. I have also taken the time to ask certain of the bankers, because I have heard of differences of opinion between the major bankers and the central bank. In the main they agree with the central bank.

Mr. S. Smith: You let the federal government know your position on oil but not on interest.

Hon. F. S. Miller: Does my friend want to see the problems resolved or not?

CONTROL ORDERS

Mr. S. Smith: I have a question of the Minister of the Environment, Mr. Speaker. I won't ask him why Ontario has to keep its position on interest rates secret. I'll ask him a question that has to do with the environment.

Would the minister explain to us why it is that his ministry is giving yet another extension to a control order on a pulp and paper mill—in this instance, the Abitibi mill in Sturgeon Falls? Can he also give us whatever figures are available to indicate whether he expects this extension to have a particular effect on fishing on the Sturgeon River? Would he share with the House the information upon which that is based?

Hon. Mr. Parrott: Mr. Speaker, the company asked for an amendment some time ago. It was one of the first occasions where we put our policy into effect that any amendment that was sought would have to be done in a public forum.

A meeting was held and I think was quite well attended. The result of that meeting was that it was known the order would comply with the federal guidelines. I believe the people of that area were quite satisfied with that result. They had the opportunity to be fully informed. The amending order complies completely with the standards set by the federal government.

Mr. S. Smith: By way of supplementary: Since the federal guidelines, so-called, are only general and don't necessarily apply to each body of water—each one has to be considered on its merit—and since those guidelines were known before, could the minister explain why it is the original control order which is now being amended calls for a limit of 50 milligrams per litre of the effluent, whereas the new guideline, in line with the federal one, is 190 milligrams per litre? How did they come up with 50 milligrams in the first place? Was it based on real information? Was it based on intelligent analysis, or was the number chosen out of a hat?

I ask that because surely, the minister must understand that every time he has to stand up and tell us all his previous orders were based on misinformation or numbers which were imagined by somebody on no real basis, he weakens the credibility of the Ministry of the Environment generally and weakens the case for all of us who would like to see a more powerful ministry, with proper directives.

Hon. Mr. Parrott: Mr. Speaker, I guess the leader of the Liberal Party isn't fully aware of the situation. He talked about my previous orders. There has not been a single order for which I have total, personal responsibility that has been amended. I have the policy, and the member knows it, to put on reasonable, practical orders and then enforce them. That's become a cornerstone of the ministry and I'm pleased it has. They are practical,

they're reasonable and they're being enforced. There's no doubt about that.

Having done that, I can tell the leader of the Liberal Party that on this particular order 50 milligrams was the number put there. We asked the Ontario Research Foundation to tell the public whether it was possible to live up to that order. It wasn't, the public were aware of that and the member should know that. He should have been aware of that.

If he chooses to ignore that kind of information, that's his prerogative, but the truth of the matter is that order was placed. I don't know how that order was placed there, on a personal basis—

Mr. S. Smith: It's your ministry.

Hon. Mr. Parrott: Of course, it's my ministry. It was done in the hope that technology would advance. Now when it can't be done on the basis of the Ontario Research Foundation assessing it, and then going to a public meeting, explaining that in full and complete detail; yet where it does adhere to the federal guidelines one can always make that claim. It's an easy claim to make, but I will tell the member that the orders now are being enforced on the rationale of reasonable and practical orders, and they will continue to be so. That is the way the policy will go from now into the future.

Mr. S. Smith: By way of my final supplementary, Mr. Speaker, since this is not the first time we have heard that previous control orders were impractical and unreasonable and we're given no basis upon which those numbers were ever dreamed up in the first place, can I assume that certain people within the ministry have been fired, or re-educated with regard to how to go about doing these things? Would the minister share with this House which of the ministers he feels was responsible for these unreasonable, impractical and merely hopeful guidelines which industry presumably has been trying to live with these several years?

Hon. Mr. Parrott: The leader of the Liberal Party wants us to be dramatic and as tough as we can be. We are being that. He is suggesting that when we put some orders on well in advance—years and years in advance of technology—somehow or other it is a mistake to put up strong objectives we would like to come to.

There is nothing wrong with that. Of course we're trying to set high standards and long-range goals that are desirable for this province. He shouldn't criticize it. He should be on our side. He should say that's the kind of example we want this ministry to put forward. That's what his bill is supposed to be all about, but it has a lot of other nonsense in it. He is putting up those huge, idealistic goals. I say they have to be reasonable and practical. The member can't live in a dream world.

Mr. Speaker: A final supplementary, the member for Port Arthur.

Mr. Foulds: Could the minister tell us how many control orders in Ontario that had these original tough standards that he talked about and that "his ministry hoped could be met by new technology" are now being revised because they cannot be met with new technology?

Hon. Mr. Parrott: The interesting part about it, Mr. Speaker, is the members always know now whether an amendment is going to be put to a control order. They should be very thankful about that, too, if I may say it in those terms, because it is not done now other than in the public forum. I would have thought the member would have been the first to appreciate that approach and so if there are any orders—and there are none at this time—being proposed for amendment they would be in front of the public with the merits of the case being debated. The member will have his full opportunity to be a part of that debate. It's a very open process where the people can join in and be a part of it.

VISITOR

Mr. Cassidy: Perhaps while the Minister of Industry and Tourism is finding his place, I could draw the attention of the House to the presence in the gallery today of a friend and former colleague, the former member for Wentworth, my friend, Ian Deans.

AIRCRAFT CONTRACT

Mr. Cassidy: I have a question of the Minister of Industry and Tourism. In the light of the very substantial concern in the aerospace industry about the spinoffs for Canada of the $2.3 billion federal fighter contract which is to be awarded this year, could the minister say what guarantees Ontario has had from the federal government about this contract? How many jobs will be created in Ontario as a result of the contract? Is the government satisfied that the contract will guarantee sufficient Canadian content and will provide a fair deal for the electronic and the aerospace industries of this province in terms of technology and jobs?

Hon. Mr. Grossman: We are satisfied, on all counts the leader of the third party men-

tioned, that regardless of which of the two aircraft ultimately is purchased, Ontario will get a substantial portion of the work. On literally all of the hooks the member mentioned and all of the counts he mentioned those protections are indeed built into the government's current intentions in terms of the contracts that are ultimately entered into.

[2:30]

Mr. Cassidy: Could the minister say when the government determined it was satisfied with the results of either of the contracts now being considered in Ottawa, particularly in view of the confidential report that was leaked last month? The aerospace industry itself raised serious questions in that report about the industrial benefits the two bidders were offering.

Specifically did this government inform the federal government what Ontario expected in terms of the spinoff for jobs and technology? Have those requirements been met?

Hon. Mr. Grossman: We have been carrying on discussions with the federal government for well over one and a half years with regard to the spinoffs we expected out of those aerospace contracts. I can't say 100 per cent of our requests have been accommodated but we are satisfied that as of the present time Ontario will get a very good share of the benefits flowing out of that contract. So far as we understand, it is as much as the federal government can possibly obtain in terms of the offset portions of that deal.

Mr. Cassidy: Supplementary: As recently as the beginning of October the Air Industries Association of Canada was telling its members it saw very little substantial benefit from the spinoff from this fighter contract. Also, at the end of the month they were saying the offset offers are just a plan of potential opportunities. So can the minister say what steps Ontario intends to take in order to ensure this Canadian content is not just a potential opportunity, but that it is realized for Ontario's manufacturers and workers?

Hon. Mr. Grossman: I want to make it clear that nothing I have seen has led me or this government to believe these are simply potential opportunities. They are only potential in the sense that the contract has not yet been awarded. These questions might more properly be put in the House of Commons, but I can assure the member everything we have heard from the federal government is that its extensive efforts over the past few years have been to ensure the offsets are there, that they are serious offsets and firm commitments. We have not had any other indication as recently as my visit to Mr. de Cotret two weeks ago today.

The member may have a press release from some people in the aerospace industry that indicates they wish there were more. Nothing in my conversations with the federal ministers involved, or any of our communications extending over all of the past few years, would lead us to believe the federal government is going to be so silly as to enter into any agreement with regard to fighter aircraft that leaves anything up in the air, or that deals only with potential benefits rather than firm, hard commitments. Everything we understand indicates the commitments are for firm undertakings for our industry, especially here in Ontario.

Mr. di Santo: Mr. Speaker, can the minister be more specific on what kind of offset policies have been or are being worked out right now? As recently as October, we saw a report published by Southam Press that indicated neither company's industrial benefits in this category are considered to make an adequate contribution to a life-cycle support capability in Canada, nor do they extend technological expertise to allow eventual Canadian industrial participation.

Is the minister talking only in terms of production and manufacturing, or is the minister talking in terms of technological know-how for long-term policies for Canada? Can the minister be more specific and tell us if the terms have been changed since the report has been published?

Hon. Mr. Grossman: I can simply repeat the answer I gave to the leader of the NDP initially. He asked me, using two or three approaches to the question, whether we were satisfied employment and technology benefits would accrue to this country and specifically this province.

I can only repeat we have been satisfied on one of the two choices for a long time—on both opportunities for a short time. We're satisfied that under all those headings Ontario would get a very good share of the commitment, and a firm commitment.

GOVERNMENT PURCHASING

Mr. Cassidy: Mr. Speaker, I have a question of the Minister of the Environment. Could the minister say what the government hoped to achieve when the Ministry of the Environment agreed to provide a site and $10 million in Peel for a major demonstration project for waste recovery? Was one of the main aims to develop waste recovery expertise among Canadian firms; and if so, why did the ministry take no steps whatsoever to

try to encourage Canadian companies to bid for that particular project?

Hon. Mr. Parrott: May I say to the leader of the third party that problem in future would be better addressed to the Minister of Energy (Mr. Welch) as he now will be dealing with matters of recovery of energy from waste. In response to the member's question today, as I understand it, there was only one bidder on that project. A fair amount of effort was made to get other bidders, but we could not force them to do so. I am also advised that in excess of 75 per cent of that bid will, I think, be Canadian content.

Mr. Cassidy: Supplementary: Since the effect of the bid has been to give Grumman Ecosystems of New York a ground-floor position in a technology which could extend to as many as 12 comparable plants across this province over the course of the next few years, could the minister say what specific efforts were made in order to get Canadian bids on that part of the project? Why was the government not prepared to see to the creation of a consortium of Canadian companies to give them the edge in this new and important technology?

Hon. Mr. Parrott: I do know that efforts were made. It certainly is quite possible to give him chapter and verse on those efforts, and I will do so. We can't give him those in detail at this time, but we will.

Mr. Cassidy: Since the Minister of Industry and Tourism (Mr. Grossman) not only professed ignorance about any such efforts but also indicated the government was only prepared to respond to any suggestions from Canadian companies, could we have an undertaking from this minister that the Ministry of the Environment is prepared to take a lead in encouraging and helping Canadian companies to develop resource recovery and waste recovery technology before this entire new area is taken over by multinational foreign companies?

Hon. Mr. Parrott: I think the member for Durham West (Mr. Ashe) would be the first to tell the member that only this very morning we met with a company to try to promote things that will help us in our waste management. On any occasion where we can assist in developing the industry here in Canada we will do so. Of course we want it to be Canadian as much as it possibly can be. We put on a seminar to help our companies within the last eight months. It was sponsored by our ministry to develop expertise in waste management. We have done these things and we are doing the things we can to encourage Canadian companies.

As I said previously, 75 per cent of the contracts the member is talking about are now Canadian. That is a very large percentage. We can't force Canadian companies to make a submission if they choose not to. We will encourage them. That is what we want in this province and we will do everything we can. But when we get to the bottom line, if they will not apply then we will have to insist on as much Canadian content as we can.

When there is only one bidder, we can't insist that the company is ineligible because it is not Canadian because the importance of that program to the useful recovery of waste is just far too important to put off. It is fundamental in this province for us to have a sound management policy for waste.

Mr. J. Reed: Supplementary: Is the minister then indicating there has been some transfer of responsibility on waste recovery to the Ministry of Energy and that if the region of Halton seriously wants to pursue recovery now it should actually meet with the Minister of Energy in order to accomplish that objective?

Hon. Mr. Parrott: If we are talking about energy recovery, there is no doubt the answer is yes. If we are talking about such projects as recycling of materials or a separation of the source then that's still ours. On an individual basis, by and large the policy is that the recovery of resources, and particularly energy, is with the Minister of Energy. If the honourable member has any doubt, there is no problem at all in telling him, in a specific case, which ministry should be the lead ministry.

OTTAWA COURT FACILITIES

Mr. Roy: I have a question of the Premier. In view of the fact that he is, I understand, going to Ottawa tomorrow to a Conservative fund raising dinner; and as I also understand he is going to announce in Ottawa tomorrow that finally there is going to be a new courthouse complex built on Cartier Square; and in view of the fact his colleague the Minister of Housing (Mr. Bennett) is very anxious about that issue—in fact last week he asked, "What the hell is going on?"—would the Premier announce to the House today, to the assembled gathering of all representatives of Ontario, that we in Ottawa are finally going to get a new courthouse complex? That announcement merits a nonpartisan type of announcement and not one made in front of a group of Tories.

Hon. Mr. Davis: Mr. Speaker, the member for Ottawa East is quite right; I am travelling

to the nation's capital tomorrow afternoon for a number of very important reasons, including an opportunity to speak to some 600-plus people tomorrow evening, which is about 400 more than attended his leader's dinner for the same purpose a few weeks ago.

In that the member for Ottawa East has never been reluctant to come to Tory gatherings before, I remember welcoming him on one occasion—

Mr. Roy: I'll go myself if you will make that announcement.

Hon. Mr. Davis: Certainly, I'm inviting him, come to the dinner; as long as he pays the price he is welcome.

Mr. Roy: Mr. Speaker, may I be permitted a supplementary? In view of the fact that the present Minister of Agriculture and Food (Mr. Henderson) said a few months ago, "If we get Tories in Ottawa, there will be no problems about the courthouse," why does the Premier not make an announcement in this House today? Why does he not show some respect for the Legislature? Why does he not show some respect for the administration of justice and make the announcement? Is he or is he not going to make an announcement on the new courthouse; yes or no?

Hon. Mr. Davis: We might have contemplated making several announcements yesterday but because the honourable member was in the courts—and I know why he was in the courts—

Mr. Roy: I was here.

Hon. Mr. Davis: I know the courts stop at five o'clock, that's why he was here last night; there are no courts after five o'clock.

[2:45]

One of my customs has been to try to relate government as directly to the people who are affected as I can. I think it's really very important if there are any announcements to be made that it is only appropriate to make them in that community which is most directly affected. I must say to the member for Ottawa East, at this particular moment in time I am not exactly sure what I am going to say tomorrow night, except that I will bring his regrets to the assembled multitude because of pressure of public business back here. I will explain that to them, I will do that for him.

Mr. Cassidy: Supplementary: Since the courthouse is to be located in Ottawa Centre, I take it that is a tribute to the representation that riding has had since 1971. Perhaps I could ask the Premier if he would explain why the government has apparently chosen not to locate the courthouse in the Ottawa Teachers' College building, now owned by the province, on the Cartier Square site? Why cannot the courthouse be put in renovated facilities there? Why is it intended instead, as I understand, to have a brand new building alongside of it?

Mr. Conway: Will Pierre Benoit be at the head table?

Hon. Mr. Davis: I don't know who will be there, except with that number of people obviously a lot of former good Liberals will be there tomorrow night; a lot of former good Liberals, as we discovered last Wednesday night. The only two I know won't be there are John Turner and Donald Macdonald. I think the member should await whatever is said tomorrow night, and if some mention is made of the courthouse I am sure we would be delighted to discuss it here again on Thursday.

TRANSPORTATION OF DANGEROUS GOODS

Mr. Swart: I have a question for the Minister of the Environment. Pursuant to the disaster at Mississauga, is the minister aware of the potential for a catastrophe of tremendous proportions that exists in some of the railyards in this province? As an example, may I bring to his attention the situation in the Canadian National Railways yard at the village of Port Robinson, which I have personally witnessed. I have photographs documenting it and I will send one over to the minister now?

Would he believe that, frequently spotted side by side, are cars of propane, cars of vinyl chloride, which is a deadly toxic material, and a car or two of picric acid, which is a powerful explosive? Has the minister made or is he making strong representation to the federal government and the Canadian Transport Commission to have laws and regulations enacted and enforced to prevent that sort of thing taking place in the rail yards?

Hon. Mr. Parrott: Yes.

Mr. Swart: Supplementary: Due to the fact that the people of the village of Port Robinson are locked in by the canal on the west—there is no bridge—and the Welland River on the south and they have no way to escape except to go to the east over the railroad tracks, would the minister immediately contact the CNR and the CTC and insist that the flammable, the explosive and the toxic cars are always spotted at widely separated locations?

Also, would he tell us what sort of emergency plans he has to deal with the type of catastrophe that could take place when those cars are in the situation that they are?

Hon. Mr. Parrott: Mr. Speaker, my response to the first question was indeed brief, because we had made those representations. By and large, I think it might have been better to redirect the member's second question to the Minister of Transportation and Communications (Mr. Snow). He does tell me, however, in response to the member's question, that he was speaking with the Honourable Donald Mazankowski today and an interim order will be placed on the make-up of trains, I believe either today or tomorrow. I would suggest perhaps in future if the member wanted more details on that particular aspect of the problem he should direct the question to that minister.

DISPOSAL OF HAZARDOUS WASTES

Mr. J. Johnson: Mr. Speaker, a question to the Minister of the Environment: Is the minister aware that contaminated soil from the vicinity of the Mississauga train accident is being deposited in the Chinguacousy landfill site in the town of Caledon? Furthermore, why were the mayor of Caledon and the chairman of the region of Peel not advised of this action?

Hon. Mr. Parrott: Mr. Speaker, through you to the member; yes, I was aware of that development. I am advised the region was advised of this move. By and large we think the movement of waste within the region should be their responsibility, with our approval, so I am not aware of the reason the chairman and the mayor were not advised. However, I do believe the appropriate officials in that municipality were aware of it, and perhaps they can tell us why they did not advise the chairman.

Mr. J. Johnson: Supplementary: Will the minister undertake to have officials of his ministry meet with the mayor of Caledon council, and possibly the regional chairman, to assure the people of the town of Caledon there is no safety hazard?

Hon. Mr. Parrott: I am quite sure the director of the region for our ministry is more than prepared to meet the mayor on any occasion. I would like to tell the members of this House that the director has informed me a great deal of thought and precaution has already gone into it.

On that particular site, there is a backup leachate collection system that will monitor the leachate. There is also a good system for monitoring the groundwater, as I understand it. We will not only ensure that those two systems are functioning properly and well, but indeed we have said we will increase the monitoring because of this movement. In other words, although we realize that such elements as styrene, toluene and certain caustic materials are going in there, we think there is an excellent system and we will be doubly sure it is being monitored.

Given that information, I can assure the member, and through the member his constituents, it is a very safe place for this waste to be deposited.

TELEPHONE CHARGES

Hon. Mr. Snow: I have a response to the question raised by the honourable member for Welland-Thorold regarding usage-sensitive pricing of telephone calls. I believe the question was directed to my colleague, the Minister of Energy (Mr. Welch).

The government of Ontario has been aware for well over a year that Bell Canada has been carrying out studies on this method of pricing telephone service. In fact, counsel for the government of Ontario asked a number of questions on this specific issue during the Canadian Radio-television and Telecommunications Commission hearings on Bell's rate increase application in 1978. We have also been aware that Bell wanted to undertake an experiment to assess its studies in a real-life setting.

Contrary to what the honourable member stated in his question, Bell Canada is not contemplating special charges for all local calls on a trial basis. What has been proposed is an experiment that would substitute a system of billing based on usage by the telephone subscriber for the present flat-rate, monthly fee. The experimental system of charges would be based on the number and duration of calls rather than a set fee for an unlimited number of local calls.

As I mentioned, the issue of usage-sensitive pricing has been around for some time. If introduced across the board it would constitute a fundamental change in the pricing of telephone services. It is actually in use in many European countries and in a number of jurisdictions in the United States. The system has its opponents and its supporters.

From my own point of view, there are a number of questions I would want to have answered before taking a position for or against the widespread introduction of usage-sensitive pricing. These questions deal with the potential impact on the various classes of subscribers, such as small businesses to

name only one. It is difficult to get answers to the outstanding questions without some sort of experiment in a real-life setting. For this reason, I support the idea of an experiment, but only if it is made abundantly clear it is without prejudice to the final policy decision.

Once the results of the experiment and other studies are available, the final determination should be made only after full public discussion of the approach. I am pleased that this is the approach the Canadian Radio-television and Telecommunications Commission has chosen to take on the issue. For our part, we will be reviewing the developments closely and will participate actively in any hearing that takes place.

Mr. Swart: In view of the minister's comments, of which we are aware, that this is being done in several other jurisdictions in the United States, why does the government need to let the camel's head into the tent in Ontario? Can the minister not find out what the situation is in those other locations? Won't he agree it will be many of those on the lower-income scale, like senior citizens, who will have to pay extra charges because of this new system. Doesn't he agree it will be Bell Canada that is going to make the gains on this? Before he permits this, should the minister not make representation to the CRTC to have the rates reduced, in view of the huge profits Bell has made this year, which are 45 per cent higher than last year?

Hon. Mr. Snow: No. I think I can safely say I do not agree with any of those statements.

ENERGY EXPORTS

Mr. Sargent: I have a question for the Premier. Mr. Speaker, if you're going to be confused by this question, which you probably will be, I know the people of Ontario are too, on this matter.

Interjections.

Mr. Speaker: The honourable member need not be defensive, just put the question.

Mr. Sargent: Will the Premier advise the House of the rationale of going to Chicago or somewhere in the United States and suggesting that Canada will be manufacturing power for export, the rationale in saying we have a 40 per cent surplus in power; the rationale in increasing rates 150 per cent in three years; the rationale of another 16 per cent coming up on January 1; and the rationale of spending $5 billion in Darlington for more surplus power; while Hydro is advertising in the papers, telling the people they should not use too many Christmas lights in order to save power?

If there is a shortage of power, and no one seems to know what we have, and if we're going to finance this whole—

Mr. Speaker: I have listened very carefully. You started out with a question: Can the Premier explain? Then you asked him four different things. Perhaps the Premier can explain, and then you'll have an opportunity for a supplementary.

Hon. Mr. Davis: I think the honourable member's first question was why did I go to Chicago? I think that's a very good question. It will take me several minutes to explain why I went to Chicago.

Interjections.

Hon. Mr. Davis: There are some very obvious reasons. One reason is that my mother-in-law is there. The honourable member wasn't here when I went through some of this the other day.

Mr. Foulds: Are you going home tonight?

Hon. Mr. Davis: I said that's why I went. Who paid?

Mr. Speaker: Meanwhile back at the ranch.

Hon. Mr. Davis: Mr. Speaker, that may be a more appropriate phrase west of here than around here at the moment. Anyway, when I was in Chicago, it was not part of my prepared address to sell power to the state of Illinois power authority—I forget what it is over there, Consolidated Edison or whatever. I did mention, however, that there was the export potential of power from Ontario, because the gentleman from Quebec was there talking about the export capacity of Baie James.

As I have explained to the House, but I want the member to understand what I said so there will be no misunderstanding, I did say Ontario was closer to Illinois than Quebec and that we would be delighted to consider the export of power but, being very realistic, the chances of selling power to Illinois are very slim.

[3:00]

I think part of the question was do we have a surplus of power here at the moment. My information is we do at this time have a modest surplus of electrical energy in this province, for which I think we should be very grateful in the light of other events.

The next question was why should Ontario Hydro be encouraging conservation. Because we do have this modest surplus doesn't mean we should be extravagant with the use of electrical energy. That, I think, would be a

reasonable position for the member to understand.

Those were the answers to three of the questions. What was the fourth?

Mr. Sargent: If we are to finance this whole crazy program with billions of dollars to give us more surplus power, could the Premier say why in the hell the people of Ontario are told not to use power but to keep on buying oil? Would it not be better to use this electric power for heat instead of oil? Does anyone know where we are going in this matter? I don't, and the public doesn't know; and sure as hell the Minister of Energy doesn't know.

Hon. Mr. Davis: I don't think the honourable member should presume that because he doesn't know the Minister of Energy doesn't know.

Mr. Roy: It's obvious he doesn't know.

Hon. Mr. Davis: I don't argue with that member for a moment that he himself doesn't know.

Mr. Sargent: I don't know, I admit it.

Hon. Mr. Davis: Can I try to help? We are really very modest, but I will try to explain it to the member. First, we are not encouraging a greater use of oil; in fact we are encouraging substitution. The member understands that; we are at this time encouraging the substitution of natural gas for oil for home heating purposes in those communities where that service can be provided.

Mr. Swart: Not in your own buildings.

Mr. Speaker: Order.

Hon. Mr. Davis: If the member wants to debate about the building here on some other occasion I would be delighted to do it.

We are discouraging the use of oil. This is one reason some of the members opposite have been mildly supportive of Ontario Hydro's commitment to nuclear-generating capacity. Nuclear generated electricity is a legitimate substitute for thermal or oil-generated electricity. This is one of the great pluses we have going for us. I want to compliment the member for York South (Mr. MacDonald) who, with all of his eloquence, persuaded the entire New Democratic Party across Canada at their convention to understand this was a more viable approach—over the objections of the member for Carleton East (Ms. Gigantes), I would assume.

Mr. Martel: That was a low blow.

Hon. Mr. Davis: I am just complimenting the member. The member says that was a low blow. What I said was the truth. I thought the member for York South did very well whenever I saw him on television.

I say to the honourable member we will also be encouraging the substitution of electrical energy for some other forms of energy. I think it is a legitimate question. We are certainly going to encourage it. That is one of the reasons I think the investment in electrical generating capacity is very valid. There are areas of substitution.

If the member has a further supplementary, I will be delighted to try to help him with it.

DEATH OF FOSTER CHILD

Mr. McClellan: I have a question for the Minister of Community and Social Services with respect to the death of Shawn Lee Mandamin, an infant from the Whitedog reserve who was killed by a children's aid society foster parent.

May I ask the minister when he first learned of this death? Second, will he table with us the results of any ministerial investigation into the circumstances surrounding the death of Shawn Lee Mandamin?

Third, can the minister explain to us how it is possible for a child to be killed by child abuse in a children's aid society foster home in this province?

Hon. Mr. Norton: I am not sure I can remember all three of those questions in proper sequence. I will do my best.

I can't give the honourable member a precise date off the top of my head as to when I first learned of the incident; but I assure him it was very shortly after the incident occurred. With respect to the reports that I have received in the ensuing period, I would share with the honourable member at this point that there would appear on the basis of those reports to be no indication of any lack of precaution or appropriate supervision taken by the children's aid societies. But I also would assure the honourable member I have asked my staff, following the receipt of any reports from the field, that I personally be provided with all of the available files relating to this case so that I might personally review them with some of the senior staff of the ministry in determining whether it is a situation where some further action might appropriately be taken.

I now think I have forgotten the third part.

Mr. McClellan: The third part was simply an explanation on how it could happen.

Let me ask you, by way of supplementary, in view of the decline in the number of suitable foster homes in this province, which your September paper documented; and in view of the enormity of this atrocity and the

relationship between the Paquette tragedy and the inadequacy of foster home care for francophones, may I ask the minister if he will consider and undertake an independent public inquiry into the adequacy of foster home care in this province, with particular reference to the availability of adequate and suitable foster care for ethnic minorities and native people?

Hon. Mr. Norton: I think the honourable member is perhaps interpreting this tragic incident beyond the logical and reasonable implications of this case. I think, as he knows and as we have discussed in our estimates a short time ago, we have initiated some very significant changes in terms of foster care in the province. If he has read carefully our paper earlier this fall, he would realize that the difficulty being experienced at the moment in terms of shortage of foster care is not a general shortage. It is very easily demonstrated that about 30 per cent of the foster care homes in the province are empty at the moment and have no foster children.

There are specific areas, particularly with difficult adolescents and teenagers, where there was a shortage of appropriate foster care placements. We are addressing those problems, along with some of the broader issues relating to foster care.

I would say to the honourable member that subject to a personal review of all of the files relating to this case, I see absolutely no reason at present for a public inquiry in view of the initiatives that we have taken, beginning before and subsequent to this incident, and certainly subsequent to the Paquette case.

INTEREST RATES

Mr. Epp: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. Given that the present Landlord and Tenant Act states that the amount of interest paid by landlords to tenants on rental deposits is six per cent; and given that the Residential Tenancy Act, otherwise known as Bill 163, has not had that portion proclaimed which deals with landlord and tenant matters; and given that the interest rates have risen enormously since the Residential Tenancy Act received third reading in June of this year; would the Minister of Consumer and Commercial Relations bring in a bill this session which would amend both the present act and the new Residential Tenancy Act and therein increase to 12 per cent the amount of interest paid to tenants on rental deposits?

Hon. Mr. Drea: I will look at that when I get back the decision from the court on a referral under the Constitutional Questions Act. It would be very improper for me to begin to amend acts that are under the scrutiny of the appeal court of Ontario.

Mr. Epp: I wonder whether the minister would give a commitment that he would increase to 12 per cent the amount of interest, if the court of appeal supports the Landlord and Tenant Act. I know that the Attorney General (Mr. McMurtry) has referred it to the court of appeal.

Hon. Mr. Drea: I would look at it. It depends when the decision comes down, because interest rates are fluctuating. Some of them, in the United States, began to go downwards.

Mr. Warner: Supplementary, Mr. Speaker: Does the answer given by the minister mean that as of December 1 the offices will not be open to handle the landlord and tenant complaints, as set out in the legislation we passed earlier?

Hon. Mr. Drea: Mr. Speaker, I don't know there was ever a December 1 date. As a matter of fact, it seems to me I was advised by the member's party towards the end of the debate to allow a little bit longer. In any event, I cannot begin to administer an act until there is a decision from the courts as to whether that piece of legislation is constitutional.

INTRODUCTION OF BILLS

CULT REGULATION ACT

Mr. Sweeney moved first reading of Bill 191, An Act to Monitor and Regulate the Activities of Cults and Mind Development Groups.

Motion agreed to.

Mr. Sweeney: Mr. Speaker, the purpose of the bill is to provide a mechanism for identifying cults and mind development groups that may cause a danger to the mental health of adherents. The bill establishes the commission for the investigation of cults and mind development groups, to investigate and report on the activities of such groups.

The bill also establishes certain reporting requirements for cults and groups that are designated by the Lieutenant Governor in Council. Where a person has suffered physical or mental illness as a result of adherence to a cult or mind development group, the bill requires that the cult or group shall reimburse the Ontario Health Insurance Plan for any amounts paid by the plan as a result of that illness.

LIFELINE ACT

Mr. Sargent moved first reading of Bill 192, An Act to provide for a Basic Residential Power Rate applicable to the Essential Energy Needs of Residential Households in Ontario.

Motion agreed to.

Mr. Sargent: Mr. Speaker, this bill is a legislative proposal to provide a low, fixed, fair price for the amount of electricity a family needs for the basics, such as lighting, refrigeration, and electrical necessities. This amount is about 500 kilowatts per month and should cost about two cents per kilowatt. A user of 500 kilowatts would have a monthly bill of less than $10.

[3:15]

HEALTH INSURANCE AMENDMENT ACT

Mr. Breaugh moved first reading of Bill 193, An Act to amend the Health Insurance Act, 1972.

Motion agreed to.

Mr. Breaugh: Mr. Speaker, the purpose of this bill is to require the Minister of Health to publish in the Ontario Gazette the names of physicians and medical practitioners who have withdrawn from the Ontario Health Insurance Plan.

NOTICES OF DISSATISFACTION

Mr. McClellan: Pursuant to standing order 28(a), Mr. Speaker, I'd like to give notice of dissatisfaction with the answer to my question from the Minister of Community and Social Services (Mr. Norton) and desire to debate it upon the adjournment of the House this evening.

Mr. Speaker: Also, pursuant to standing order 28, the member for Wentworth (Mr. Isaacs) has given notice of his dissatisfaction with an answer to a question provided by the Minister of Transportation and Communications (Mr. Snow). That matter will be dealt with first tonight.

ORDERS OF THE DAY

ASSESSMENT AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 164, An Act to amend the Assessment Act.

Mr. Speaker: Does the honourable minister have an opening comment?

Hon. Mr. Maeck: Yes, Mr. Speaker. When I introduced Bill 164 for first reading on November 6, 1979 I made some explanatory comments which I would now like to reiterate as we begin to consider this bill in detail.

When the government postponed property tax reform it was apparent the freeze of assessment would have to continue until alternative tax policies were developed. Without changes in the property tax system to compensate for differentials between current assessments and market-value assessments, the introduction of market value would lead, of course, to extensive increases in taxes on residential and farm properties generally. It is to prevent these extensive shifts in taxation that it is necessary to freeze assessments at the current levels for taxation in 1980.

Since deferment in property tax reform, the ministry has undertaken to remove the assessment inequity within classes of property in 14 municipalities, and currently an additional 75 to 80 municipal and school jurisdictions have indicated a desire to proceed with section 86 reassessments for the taxation year 1980.

I have explained, on previous occasions, that the application of section 86 enables assessors to correct inequities within classes of property without allowing the shifts in the tax burden from one class of property to another.

The additional amendment proposed to section 86 gives an assurance to the municipalities that it is the government's policy to make general reassessments under section 86 when requested to do so by council. I believe this assurance is necessary as there are three challenges now before the courts to the use of section 86 for general reassessment purposes.

This amendment will remove any doubt of the validity of the tax rolls of the 14 municipalities that have already used section 86, and it will also alleviate any concerns that municipalities now deliberating over whether to request section 86 might have. I am confident the courts in the long run would agree with the use and interpretation given by my ministry to section 86 of the act, but it is better to clarify the situation now than to wait for several years while the issue is debated in the courts.

Finally, transmission pipelines and transformer and generating stations owned by Ontario Hydro are assessed on the basis of statutory rates, the former by length and diameter the latter on the basis of area. In parallel with the general freeze on assessed values, the rates for each type of property have remained unchanged since 1971.

While the equalization factors were frozen in 1979, the assessment on transmission pipe-

lines and hydro properties remain at a consistent level with other properties in the municipalities. With the introduction of new equalization factors in 1979, and without the proposed amendment, the effect of these statutory assessments would have been a significant reduction in tax dollars received by any municipality with this type of property within its boundaries. The amendment permits 1970 factors to continue in use for the statutory assessment.

Mr. Epp: Mr. Speaker, I want to speak for a few minutes on this bill, which I think is somewhat important.

Since coming to this Legislature two and a half years ago, I and many members with much more seniority than I, have experienced a continuation of stopgap measures to try in some way to repair the assessment area of the Ministry of Revenue. We have had one piece of stopgap legislation after another. They have been trying to plug the holes here and there where problems arise as if they were holes in a dike.

Whenever we get a piece of legislation, in most cases it is a knee-jerk reaction. We were assured unequivocally last year when some changes were made that the ministry did not need the legislative power to bring in regulations concerning section 86. Yet now all of a sudden, after a number of court cases, we have legislation proposed to deal with this matter, to give the minister the power to have certain standards and certain regulations.

Obviously the ministry is not as sure of its position as the minister is trying to imply in this House. I think it is quite clear that if the ministry were that sure it would win the court cases it would not be bringing in the legislation. In discussing this with a number of solicitors in the greater Toronto area, I am assured the ministry was told a year or more ago it was not on firm ground with respect to this situation and that the minister would have to bring in legislation to give the ministry that power.

We on this side of the House would like to see that the ministry has a total picture of what assessment is in Ontario—the problems associated with it—and to have some kind of corrective action dealing with the total concept rather than on a piecemeal basis.

We also know the assessors in the ministry are very frustrated. We know, for instance, there are around 1,750 to 1,850 assessors in Ontario, a proportion of the population much larger than prevails in New York state, in California, in Alberta, Quebec and many other provinces. This is a very weak and ineffective system, where the ministry continually has to send out more assessors than are necessary. If the assessment were easy to explain to the public and easily defensible, we would not have to have so many assessors going about and trying to repair the dike, trying to support the other assessors in what they do.

The other problem I want to raise has to do with the power given to the minister to have all these various standards. I don't think the present assessment in the province is very clear to the public. Some of the rules and procedures that would be drawn up would obviously be drawn up at the instigation of the minister himself.

This House would not have any idea what the procedure is; in fact many of the regulations are kept secret within the ministry. We know, for instance, 14 municipalities applied last year for the right to impose section 86, which equalizes assessment. Mr. Speaker, I know you are very familiar with this. As a former municipal politician yourself you are aware of the hazards of assessment and so forth. We know they weren't given the information on the impact of the new assessment on the municipality. Why not?

Only a few days ago there was an article in the Toronto Star about Etobicoke requesting this information and being denied it. We are told if they were given this information the politicians in Etobicoke as well as in North York, Parry Sound, Waterloo, Hamilton and all over, might not react in the way they should react. We are not told exactly how they should react. I suppose the suggestion is they should ask for section 86 then go ahead and impose it.

Would the minister tell this House if that is the way they operate in the Ministry of Revenue, or in Treasury or in other ministries; in other words, civil servants don't give us the information because if we had it we might make the wrong decisions? They are virtually telling municipalities, "We won't give you the information because you might not make the kind of decisions we want you to make." This is a completely wrong kind of approach to what they suggest should be open government. The council shouldn't make the decision, neither should the people know where they stand when they ask for section 86.

The other power this act gives to the minister is to create new classes. There has been talk of the city of Toronto having about 37 different classes of assessments. The problem we see here is a continual application of new classes would develop. All of a sudden,

where five or six or seven properties are slightly different from some other properties in a municipality, you create a new class. The minister would have this power.

I am not sure the ministry should have that power. I think there should be a number of questions answered with respect to the number of classes created within a municipality and the authority of the minister to create these new classes.

Under section 90 of the Assessment Act a court can decide whether assessments should be lowered or increased based on similar properties. We would suggest the section that should be used is section 27, which has to do with market value.

One of the reasons section 90 appears so inequitable is because it is very difficult for a person to appeal that particular section. If you go before a judge or before a particular court, the long list of lawyers representing the ministry—costing us hundreds of thousands of dollars every year; in fact, the amount of money we are spending in assessments and on legal fees is running into millions of dollars—the legal support for the ministry, can suggest that based on similar properties your assessment should be X or Y.

The problem with that assumption is they then make the suggestion to the judge that the person representing the property owner can't in turn investigate various similar properties; in other words, when you have similar cases and they propose that it be based on similar cases, the defence, in this case the legal support for the person putting in the appeal, should be able to investigate the similar properties because they in turn might have been created on some erroneous information. They can't do that.

[3:30]

This party is very much concerned with the problems associated with the ministry. For instance, if you look at section 2(1)(c)(f), the second page, it says:

"subject to subsection 2, the assessment roll of a municipality to be returned in the year 1979 shall be the assessment of all real property as set forth in the assessment roll returned for the year 1978 for taxation in the year 1979 as amended, added to or otherwise altered up to the date when the assessment roll for taxation in the year 1980 is returned,

"provided that where the assessor is of the opinion that an assessment to be shown on the assessment roll to be returned for the year 1974, 1975, 1976, 1978 or 1979 is inequitable with respect to the assessment of similar real property in the vicinity, the assessor may alter the value of the assessment to the extent necessary to make the assessment equitable with the assessment of such similar real property."

I am told that there have been a number of court cases dealing with the word "vicinity." In other words, some assessors may suggest that the vicinity may only be within a square mile. Other assessors suggest it might be a number of miles away in another municipality. We have had no suggestion by the ministry to correct this particular problem, yet it's continually giving rise to new court cases.

I don't know why the ministry wouldn't suggest "assessment of similar real property in the municipality" which would then clear up that matter. I know in my own municipality there was one large industry which appealed their assessment. They brought in similar properties which were about a mile and a half away but in another municipality, the municipality of Kitchener, and because it wasn't in the same municipality or within a block or two of it the judge in that case ruled that it wasn't in the vicinity. Other judges are ruling that it can be within two, three, four or five miles. So I think if this bill were corrected it should be "within the municipality" rather than "in the vicinity," because it's such a broad term, as you can appreciate, Mr. Speaker.

We on this side of the House believe that the minister is giving himself too much power to create classes and is constantly trying to plug the holes. As a result of this I want clearly to indicate that we also think the ministry is getting deeper and deeper into a tremendous schemozzle of problems without a clear explanation to the public of Ontario.

We therefore would recommend that this bill go to committee. We think there are a lot of questions to be answered and the public deserves an explanation and therefore the best place to do that is not in the House here but in committee, where we can call on a number of experts in the field to give a clear indication as to what the problems are and how they can be resolved. There is a lot of expertise out there. I think the public deserves an explanation and I think the members of this House would like to get some answers. The best forum in which to do that is to have it done in a committee.

Mr. Charlton: Through you to the minister, Mr. Speaker, I'd like to say here we are again. It bothers me greatly that we are doing this again. The member for Waterloo North, who was just speaking, is all upset about section 86 and whether or not this amendment is giving the minister additional powers under section 86 to create new classes and so on. I

would like to assure him that the present definitions in the Assessment Act of classes and what like properties really are are loose enough that anything is already a class under the Assessment Act and policy is what sets the classes in reality, and always has under the act.

Going back to the minister and back to the postponement of market value, or property tax reform at least, which is what we should be talking more carefully about, I would like to ask the minister to hearken back a little bit. I know he wasn't the minister at the time, but I would assume these words came from his present staff, most of whom are still there.

The then minister said in 1977, when we were debating the same bill, minus a couple of sections: "I am confident that these amendments are the proper course of action at this time. When I became the Minister of Revenue, I stated emphatically that I would proceed with a market-value assessment program only when I could be assured by a complete review of all the implications that the individual groups of property owners would not be hurt. Postponing the program for one year will provide me sufficient time to fulfil that promise."

As I suggest, it would seem to me that those words were stated in care in 1977 by the former minister. They came from her staff with assurances we could solve the problem within one year. This is two years down the road. Everybody, for whatever reason, seems to be totally afraid and totally confused by the implementation of property tax reform and the political consequences of implementation. That should say something to all of us about the whole program of market-value reassessment. It says something very serious to me.

I say to the minister it should be quite obvious from the debate today that even the legislators in this House don't fully understand what the reassessment is about, what the consequences really are and what the consequences are of a further postponement. That statement should also be familiar to the minister. That was a statement I made during the debate on this bill in 1977. I made the same statement during the estimates in 1978, on the bill in 1978, in the estimates this year and I will make them again today.

We are no further ahead. We haven't come any closer. The present minister last year said there is a great deal of inequity in some areas of the province as far as assessment is concerned. We have to bite the bullet, as the saying goes. That's going to have to come from all the members of this Legislature and not just from the government, because we need the support of the members across the way if we are going to try to correct this situation. I hope we can come up with something that will be reasonably acceptable to all members of the House so that we can straighten out the problems we have as far as assessment is concerned.

We are no closer. It's the story we got in 1976, in 1977, and last year. That's the story we are getting again this year. The members on this side of the House are not aware of any proposal. The last proposal we saw was from the joint committee in the spring of 1978, the proposal which was canned by the Treasurer in June 1978. How can the Minister of Revenue expect to get agreement from the members on this side of the House on property tax reform, whether it be market value or whether it be some other system? How can the Minister of Revenue expect to get support from the members on this side of the House when we don't know where they are heading? We don't know what they are proposing. We don't even know if they are thinking of anything at this point except perhaps section 86, the program they are in, and we went through a rather lengthy debate on section 86 during the estimates.

This bill deals with better definition of section 86 and better clarifies powers which I agree with the minister he already had, anyway. But this bill does not deal with the debate we have been having for 10 years now about the need for property tax reform. It doesn't deal with it at all.

I would like again to raise the attention of the minister for a moment. Last year I spoke to the minister about some of the problems that were developing in the property tax sector, some of the problems that had been developing gradually over the last 10 years. In response to some of the concerns I raised with the minister, he said: "I agree, as I said before, with the urgency of the situation. First of all, I want to have the government finish their review of the report" —this was during the estimates last year, by the way—"from the provincial and local government committee, whether it should be refined, adopted, or what; the recommendation has to go before cabinet. Whether the government will adopt that or not it is too early to tell.

"I have discussed it with the Treasurer and have expressed to him the urgency of something being done. If we have to look at other means"—This goes into something I suggested to the minister last year, something I suggested during the debate in 1977, that the

only way we were ever going to come to consensus on property tax reform in this House—whether it be market value as it is presently defined in the act, or whether we decide that we can't overcome the problems in market value and go to something else that is more equitable—regardless, I suggested the only way we were ever going to come to a consensus was to put something on the table, whether it be something as vague as the question of property tax reform, or something as specific as a government proposal, where we could sit down in this House or in one of the committees of this House and discuss it and amend it, and kick it around.

Since 1969 we have never had a proposal in this House to deal with in any way, shape, or form. It has all been done by floating balloons to see the reaction. We have never been presented with a package that we could in effect deal with. The only thing we have been presented with is postponements. I have suggested to the government, from my point of view and from our point of view on this side of the House, that we thought perhaps the matter should be referred to a committee of the whole House.

The minister responded, and this is in early 1978, before the last postponement, "We have to look at other means. I am sure the government would. It is not a matter for me to decide actually, but the government may look at a committee structure of some kind if that became a last resort. Of course, that would delay things again and I believe whatever we are going to do should be done before the end of June."

It is long past the end of June, long past by a year and a half. We are no closer to any solution and we are going to see another postponement bill next year, or we are going to see some significant changes in the government's approach to the present system but we are not going to see implementation of market value and we still have no proposal to deal with.

[3:45]

Yes, the minister was correct in the spring of 1978. A committee may have spent some considerable time wrestling with the problem and the committee may not have been able to come to any conclusions, either. But if nothing else had come out of a committee of this House, at least there would be a number of members of this House more familiar with the problems that confront us in property tax reform. They would be more familiar with the hurdles we still have to get over in order to provide fair and more equitable property taxation across Ontario. At least we still wouldn't be in the boat where there are only four or five members in this House who have any understanding at all of what it is we're talking about.

I don't want to hear from the minister that things the opposition do delay the process, or that there hasn't been any agreement on or understanding of the government's position from this side of the House, because we've suggested just about everything we possibly can to assist in the process and to become a part of the process. None of those suggestions have been taken by the minister. We're here again, with a bill postponing property tax reform, at least in part, because of the misunderstandings that exist.

During the debate on this bill last fall, only a year ago, we attempted to point out to the minister that on that basis, in addition to the rationale that already existed for finding a more equitable system of assessment, just to postpone the reassessment once again for one year, unless we were going to be prepared to come back this year in a very positive way to discuss legislation and implement assessment reform wasn't even worth really discussing.

The minister assured us as best he could last year that the year between last fall and this fall would not be wasted. We're still no further ahead and it's time the Minister of Revenue, the Treasurer, and Minister of Intergovernmental Affairs decided this problem is one that has to be dealt with publicly, up front with the members of this Legislature, with municipal people from across the province and with the public of this province.

I don't happen to have one with me but I can recall a pamphlet the assessment division put out—I guess that was actually before the division was in the Ministry of Revenue—but it was a pamphlet we put out in 1970 and 1971 when we were going to homes the first time around on market value reassessments. It was a pamphlet that laid out very carefully for the taxpayers of this province what we were trying to do in terms of a uniform system which could provide fairness and equity at market value across Ontario. It laid out as carefully as it could be in a short leaflet the inequities that existed in the current system—inequities which I point out are far greater in 1979 in the current assessment rolls than they were in 1970 and 1971. It very carefully laid out those inequities and gave to the people of this province a sense of some of the things that were wrong and also a sense of where some of the solutions lay, but also it obviously gave them

a fairly false sense that something was being done to correct that.

It was almost 10 years ago when they read that pamphlet and they're still waiting. We're still not talking in this House about anything specific to change any of that. That has to come to an end. I'm suggesting that to the minister and I hope he'll discuss it with his colleagues, especially his colleague who is supposed to be responsible for policy in this area, the Treasurer. We've been told so many times that the Minister of Revenue doesn't set policies, he just brings in the bills. The Treasurer is not even here, so we can't even relate any of this directly to him.

Perhaps the minister can suggest that the Treasurer have a look at Hansard and seriously consider this along with his colleagues in the other portfolios that are affected. It is time that we, as legislators in this House, were all apprised of the problems specifically so we can sit down together and resolve them. Although this bill does a number of things the minister wants it to do in terms of section 86, which the minister discussed very carefully, it only provides a very limited range of improvements in the property tax system in this province.

It doesn't deal with the overall questions and I understand we cannot proceed with market value assessment until we have a whole package in place. We are not going to get a package as long as we are not discussing a package. And we are not. Nobody is. We gave that up in 1978 and nothing has been discussed, proposed or even carefully looked at since then, except in total secret.

It is time to go beyond that and it is time we reached the stage where we can do what the minister suggested last year, support a proposal for property tax reform in the province.

Mr. Nixon: I appreciate hearing the views of the member for Waterloo North who, as members well know, has been mayor of a major municipality, and those of the member for Hamilton Mountain, who has been, and perhaps will be again, a professional assessor. I particularly appreciate their frank expression that they don't—

Ms. Gigantes: Maybe he'll do a professional assessment of you.

Mr. Philip: In your case you only fill half of the criteria.

Mr. Nixon: Yes. There may be some significance to this interjection. I will read it in Hansard. It will probably bowl me over.

When the member for Hamilton Mountain says there are probably only five people in the House who understand the principles of assessment I really believe he is being entirely too generous as I don't believe any of us do. I have said repeatedly, I am a good friend of the minister and an admirer of him on a personal basis, but I do not think he does either.

I think when the full story of the provincial problems of assessment is told—and it will be a very boring story; nobody will ever bother looking at it. In fact, it will be one of the most horrendous stories of the subversion of good intention that really can be written about anything that is done here.

It seems to me, if the honourable minister is even half aware of the problems that the decisions of the government, taken on certain advice, are causing, he would just about as soon be on a motorcycle back in the cold weather of Parry Sound than he would be sitting here as a minister. I called it a fiasco before and I don't suppose there is a better descriptive word.

I wish, frankly, that I could vote against this bill. I cannot, of course, because it simply postpones for another year the application of market value assessment while we attempt to find procedures whereby it can be made acceptable and fair, as well as recognize the political problems associated with it. The rest of the bill I really believe should be rejected out of hand. I have discussed it with my colleague, our critic in this area, who has had the advantage of some good advice.

Some of these people refer to assessment as black magic and I must say that for me, in many respects, it is. I suppose, coming from a rural municipality where the assessor was a kindly gentleman sitting in the back room of the local council office, where one could go and talk to him and he knew your farm and he knew the business property, assessment was quite simple. There was a certain standard approach. I can't recall a farmer giving me the impression that he felt his assessment was unfair compared to that of his neighbour. If it was, he could go down and see our mutual friend, Frank, in the assessment office, or better still, he would be out standing in the barn talking about it with him.

I realize one can't really do that with the Bank of Nova Scotia or the Bank of Montreal, but if some of the principles, the straightforward, upfront principles that were a part of what could be called old-fashioned assessment were used when dealing with some of the minister's commercial clients and

their high-priced lawyers, we would be far better off.

There are all sorts of stories going around the political grapevine of the pressures that are used, perhaps not by the minister, but by the people who are advising him; of coming in with extraordinarily high assessments expecting them to be reduced by revision somewhere down to where they think they might be fair, of using new assessments in a punitive manner, when some taxpayers, whether it be a large corporation or not, have the temerity to challenge the wisdom of the assessor who comes in and makes some sort of an evaluation. I can't directly blame the minister for this. But he and his four or five predecessors have been completely impotent in controlling either the policy or the administration of this concept of centralized assessment.

I believe many people, including members of the Legislature, have simply thrown these bills over their shoulders and relied upon the effectiveness and the good motives and experience and study of one or two members of the Legislature to deal with it.

It doesn't happen to be a subject that is very interesting to most people—not until it gets to the point where it would probably back the problems of the Minister of the Environment and of the Treasurer off the map if the truth were known. Assessment problems are horrendous and getting worse by the month and nobody from the minister on down knows what to do about it.

I have the feeling many of his staff members have simply thrown up their hands, walked off the job, gone into tax consultancy, probably—which is a pretty smart thing to do—and left him with two or three people. These somehow have to make the responsible decisions and proffer what they consider to be the appropriate amendments. But the idea of this bill leaving even more to the discretion of the minister and the people who advise him does not attract me. I have respect for the honourable minister's integrity and his basic good judgement, but I think he's caught up in a machine that is not of his making, and he can't even find the stop button.

The proposal, I suppose as a last resort, that the matter be thrown into the lap of the Legislature is a good one. I don't think this bill contains by any means the blueprint for any final solution, if I may use that phrase in this connection. But I do believe it should not be amended without a good deal of study. I don't think it has to be that time-consuming, explaining the implications of the appropriate amendments which are going to satisfy the people who feel these amendments are going to give the minister powers which are unfair, which will remove the real appeal possibilities from the taxpayers, corporate or individual.

The member for Waterloo North has said quite strongly to the members of the House, particularly to the minister, that we do want this to go, not to the committee of the whole but to a standing committee for such a review.

If the minister really thinks the assessment rolls next year are going to return market value assessment across the province, we don't believe him any more. This bill simply postpones it for one year. Even if he wants to stick with what may be a resolve to do that, I would think we should have a committee review of the bill. It need not be lengthy but it must have the advantage of hearing from people outside the Legislature involved in this, either in a process of some litigation or with some experience. They would have a chance to express their views, and we, as members of the House would have a chance to put forward amendments.

My colleague, the member for Waterloo North, has prepared rather elaborate amendments on which he has worked hard and on which he has had good advice. I've had a look at them and I believe they would be effective. But I don't think it is sufficient to throw them into the mill here, with four or five people interesting themselves in it. The matter really should be dealt with by one of the standing committees so we can look at the proposed amendments and see the Band-Aid is going to be an effective one, until such time as we, in the collective sense, can bring some order out of a matter that is certainly chaotic.

I consider assessment is, in the words of somebody else, black magic. There's no way I can order my brain to have any kind of an understanding, other than in its simplest form, the way it used to be applied, in an upfront, straightforward way.

I really do believe the collective wisdom and the good intentions of the members of this House, meeting in committee, with the assistance of the minister's advisers and with impartial advisers, can give us the kind of advice that will at least alleviate some of these problems for the coming year.

[4:00]

I can't say any more than I said during the minister's estimates as to how dissatisfied we are, both with the work he's done and, frankly, with the work his staff and advisers

have done in assessment. Perhaps there was a bit of light at the end of the tunnel when the policy man was a Treasurer who interested himself in this and was taking initiatives, who knew where he was going and everybody sensed he did, too. He was quite prepared to ride roughshod over many objections, political and otherwise, to accomplish something he thought was right. In the understanding of responsible government the opposition can object to it, offer alternatives, vote against it and campaign in the hustings against it. But this way we're not getting anywhere. The direction has been lost and the chaos is deepening. I would like to vote against the bill except that under the explanatory notes it says, "The purpose of the bill . . . is to postpone to December 1980 the return of assessment at market value." On that basis I believe that principle of the bill has to be supported. The rest of it leaves me in grave doubt. I would suggest, Mr. Speaker, that it must be reviewed by a standing committee.

Mr. Isaacs: Some of the previous speakers have commented on the past history of the assessment problem we now face. I want to look forward for a few moments because I think it's important, that when we review a bill in this House we consider the impact the bill will have on the people of Ontario. Hopefully that impact will be a positive one and the bill will bring great benefits to the people of Ontario. But this bill fails abysmally on that count.

I'm sure that the minister had difficulty even bringing the bill into the House at all. I'm sure he finds it impossible to bring it in with a great sense of pride. I imagine if he had the opportunity he would like to hide under his desk while we're dealing with this bill. If he wouldn't then he should, because this bill does absolutely nothing for the benefit of the people of Ontario. It continues a system that is almost a provincial disgrace; a system that none of us can be proud of; a system that gets a little bit worse every year when we apply these Band-Aid solutions to prevent a real catastrophe, but does nothing to solve the real problem that every municipality and every property tax payer faces in this province.

On Thursday of this week a delegation from the county of Frontenac will be meeting with myself and some of my caucus colleagues. Those people will be explaining to us their concern about exactly the kind of thing this bill addresses. We will be telling them, as we tell the minister and the government now, that it's not the equalization factors and not the content of this particular bill that is the cause of the problem.

We can't solve the problem by playing around in this Mickey Mouse fashion. The entire principle of property taxes, as they are presently levied in this province, has to be looked at anew—I nearly said "reassessed," Mr. Speaker. I think that's a pretty bad word in this particular context, because the last thing we need is yet another reassessment. Section 86 is already causing a great deal of problems.

This bill postpones the implementation of market value assessment for another 12 months. I cannot accept the minister brings that to us in good faith. Indeed, he has already indicated to us that before the next 12 months expire a new system for assessment of properties and for charging of municipal taxes will be in place for 1981.

The minister is shaking his head. I don't understand that because it was certainly my understanding from the minister's previous comments and from previous comments of his colleague, the Minister of Intergovernmental Affairs (Mr. Wells), that we would be seeing something new and different for 1981 and, therefore, prior to the deadline which this bill puts in place for market value assessment.

I don't accept—and I assume the minister's previous comments were made in good faith—this bill stands to be implemented on December 1, 1980, to bring market value to us, because I don't believe that's what the minister intends. I have to say there seems to be an element of bad faith there; that we're doing something that we know we don't want to happen but we are doing it simply because it is expedient and it gets us out of a terrible mess.

The planning with regard to market value assessment and property tax reform has been absolutely abysmal and the administration of the system that is in place now—not the day-to-day administration performed by the officials, but the administration as represented by section 86, as represented by the kind of things contained in this bill which are ways of dealing on an ad hoc basis with problems that arise in certain municipalities—that administration has been a real disaster.

We have to look forward to what the bill says about 1981 and what will happen when market value comes, if this bill is allowed to proceed to its natural conclusion. I have to say the real muddle we have now—and that is probably a good word, although I have a feeling some days that it is closer to chaos—is something that is not going to be solved by the kind of approach the minister

and his colleagues have been taking in past years. We can't do it with commissions, we can't do it with recommendations from the Association of Municipalities of Ontario and from the constituent organizations of that body. I am not convinced we can do it by waiting for a recommendation from the government any more.

That is why some of those whose opinions I respect most highly and some of my colleagues from this House will be meeting this weekend to talk about the property tax system. We will not be dealing with the kind of patchwork approach that is contained in this bill and has been contained in previous bills that my colleague from Hamilton Mountain mentioned earlier. We will be starting right back at square one and we will be saying, "If there was nothing, what kind of municipal tax structure should be in place in this province to provide the kind of municipal revenue that we need to get the day-to-day work of our local councils done?"

That kind of approach has to be taken, because this kind of bill and the other measures the minister has introduced always result in some people paying more while other people pay less on a system that was working and which everybody assumed to be fair, even though it was totally and utterly unfair. As soon as you start shifting the tax burden from one group of people to another group of people and assuming the shift is distributed fairly evenly across the population, then you will have 50 per cent of the people unhappy.

That is what we see under section 86, and that is what we see under the kind of things this bill puts in place. There are no principles of who pays what. There are no principles as to exactly how an individual or a partnership or a corporation should contribute to municipal revenue, or contribute indirectly through property taxes to the province, because that in a way is what property taxes have become and that is pretty unfortunate.

The principles are not there, the problems are with us every day and the public is getting more and more irate.

We support the bill because we know it is necessary, we know what would have been put in place were it not for this bill would be even more unacceptable than the mess we have now, but it is no solution. I want to say through you, Mr. Speaker, to the member for Brant-Oxford-Norfolk (Mr. Nixon) and to the member for Waterloo North (Mr. Epp), we cannot see sending this bill to committee, because if this bill is not passed by the end of this week market value assessment will be in place as of next Monday. We cannot go along with market value assessment being postponed in this bill. It is very unfortunate, but that is a fact.

Mr. Nixon: On a point of clarification, may I ask the member a question?

Mr. Speaker: If he accepts it.

Mr. Isaacs: I will accept a question from the member for Brant-Oxford-Norfolk on a point of clarification, Mr. Speaker.

Mr. Nixon: The honourable member has indicated if the bill is not in place by the end of this week, then market value assessment is established. As I read the Assessment Act, it is by the third Tuesday after December 1 that the rolls must be returned. That would surely give us a week or 10 days to deal with it. If the member is right, then we would have to consider this, but the Assessment Act says clearly the third Tuesday after December 1. It is now November 27.

Mr. Isaacs: I am not an expert on the exact timing, but I do know the rolls cannot be returned overnight. A tremendous amount of preparatory work has to be done to get the rolls returned on the day on which they have to be returned.

Mr. Epp: And none of that work has been done yet. Is that right?

Mr. Isaacs: I suggest if the day is not Monday of next week, then it is within a couple of days thereafter. Given the committee schedule we have at the moment and given the importance of the various matters that are before those committees, I still have very great difficulty in accepting anything that might postpone this because it is imposing an additional burden and additional difficulty on our municipal colleagues and on those who work in the assessment offices who have to deal with the returning of the rolls. Those people are already facing a pretty tough burden.

Mr. Philip: It is good practice for after the next election.

Mr. Isaacs: My colleague, the member for Etobicoke, refers to after the next election. I was going to make a comment about what would happen when we come near the deadline of this bill and how municipalities are still going to find themselves in difficulty because the lead time that is being provided by a one-year postponement and by the new measures we are so looking forward to, though I don't know where they are going to come from, is totally inadequate for municipalities to do their planning, their budgeting and all the work that will be necessary for the raising of taxes in 1981. The comment reminded me that by the time we get there,

then my colleague from Hamilton Mountain may well be in the situation where he has to bring in a bill to postpone the implementation of market value assessment just to get us over the problem created by the present government's lack of action so the new government formed by this party can deal with the matter in a much more proper way.

That is a slight digression from the principle of the bill. There is a problem in terms of the one-year postponement. There is a problem in the way the municipalities will again not have the proper planning, the proper guidelines or the proper information by which to plan their revenue for 1981.

We support the bill, knowing it does nothing for the people of the province except to ensure an already disastrous situation doesn't get even worse. I really don't think it is something the minister can be proud of.

Mr. Haggerty: Mr. Speaker, I would like to address myself to Bill 164, An Act to amend the Assessment Act. In the explanatory notes, the minister has indicated the purpose of the bill is to postpone to December 1980 the return of the assessment at market value. It seems to be a general policy of the government to year after year introduce an amendment to the Assessment Act to postpone market value assessment.

Perhaps what bothers me most is I don't think the minister can have it both ways. We have seen the implementation just about a month ago of the new equalization factors for municipal purposes which related particularly to market value assessment. That has caused serious difficulties throughout a number of municipalities in the province.

[4:15]

I question the minister's postponing for another year market value assessment when we are using market value assessment now for what one might call tax purposes or tax reform. To use these two particular areas for their own benefit I don't think is correct or justified by the ministry or by the government.

Previous speakers have talked about the standardization of assessment. We on this side are looking and I think every municipality is looking for the government to bring in some perspective in the area of assessment, equalized assessment or market value assessment for reevaluation of assessment in Ontario.

This has been kicked about for 10 years, 1969 to 1979. It will be postponed again to 1980. I don't know when we expect to see market value assessment.

I think it is misleading to use another section of the act to bring in a form of market value. I suppose if I look at it closely enough, this particular section 86 of the Assessment Act is voluntary; it isn't mandatory that every municipality may enter into this program. I don't know. The minister said last year he had about 50 or 60 municipalities interested in it, but only about 14 have carried out the program. I don't know if it has removed any inequity in assessment. I don't think it has. I don't think this particular section does permit a removing of inequities in assessment practices in municipalities or from one municipality to another.

Last year we were debating this particular section again—section 86. I did go into some detail of well-documented history as to the reasons why the government had failed to bring forward market value assessment. Again, I have a letter. I must read it into the record. It is addressed to the Premier of Ontario, William G. Davis. It says:

"Re market value assessment:

"In a regular session November 15, 1979, the council of the regional municipality of Niagara approved and adopted the attached resolution urging the government of Ontario to move towards the implementation of market value assessment, and property tax reform for the year 1981.

"Our council respectfully requests your consideration and support for our petition."

This is from the clerk of the municipality, W. J. Dawson. There is attached a resolution moved by Councillor Huffman and seconded by Councillor Pettit:

"Whereas the province of Ontario has announced a method implementing new equalization factors in 1980"—that again is on an ad hoc basis—"whereas the province of Ontario has not indicated what action will be taken in 1981; whereas the 1980 proposals can be viewed purely as a stopgap measure; whereas there is little doubt that the long-term solution is the introduction of market value assessment and property tax reform;

"Therefore, the regional municipality of Niagara urges the province of Ontario to move towards the implementation of market value assessment and property tax reform for 1981 and that a copy of this resolution be forwarded to the Premier of Ontario, the ministers of Treasury and Economics, Intergovernmental Affairs, Revenue and local members of the provincial parliament, the Association of Municipalities of Ontario and the Association of Counties and Regions of Ontario, and all regions and cities in Ontario and all area municipalities of this region."

So they are deeply concerned. As I have said, I have documented their past docu-

ments and briefs submitted to the government. Last year it was an analysis of market value assessment and the effect it would have within the region.

Well, we've seen the ad hoc measures, particularly in the Niagara region, where the introduction of new equalization factors had caused almost complete chaos in a number of smaller communities and in particular the rural municipalities in the peninsula.

I can well recall the amendment put forward by the member for Hamilton Mountain on the matter of the introduction of new equalization factors. He said it would not cause any problems. We on this side and I think even the government side said it would cause chaos in a great number of communities. Well, it certainly did. I have to give credit to the government. They did bring in amendments to say they cannot increase more than five or 10 per cent above any increase in certain municipalities. It will give some relief for a one-year period, but what happens the year after that? Year after year in the House we are going to get back into the same debate, which will take up the valuable time of this Legislature. I just can't understand why I do, in a sense—it is the matter of where they get the revenue.

I think the government is going to have to set their priorities in this particular area because I don't think municipalities can function properly under those terms. They don't know what they are going to receive in equalization grants and apportionment grants. It has an effect on them in the Niagara region and the mover of this resolution, Councillor Pettit, the mayor of Wainfleet, is deeply concerned and I can see why.

If I can find the literature I had here anyway, it related to the recent article in the Financial Post of October 13, 1979, and it's entitled "The Cost of Housing Across Canada." I am just going to pick out two particular areas to illustrate. One is Niagara Falls, which is in the regional municipality of Niagara. There, the cost of a home in 1979 was $78,500. In the area of the city of St. Catharines, perhaps one of the highest-income municipalities across Canada, the homes are valued at $73,500. There is a $5,000 difference there.

I don't know how the assessor in that area has responded to that. I don't think he has. If I look at St. Catharines and Niagara Falls and then come to the township of Wainfleet, perhaps the same home will be selling at a price of $10,000 to $12,000 or maybe $15,000 less, but on market value assessment related to the equalization factors, they will be paying more into the region for enforcement costs and even for the county schools.

I suggest the members are right; it's time the taxpayer had access to the methodology or the procedures the assessors are carrying out. I think it's time they were subject to their peers.

I suggest to the minister that if he looks at the bill, he will see it doesn't do anything in that area. All it does is give him more power to regulate certain classes of property. If he looks at section 90 of the Assessment Act in regard to appeals, every time he seems to get into a problem or somebody is appealing an assessment, he can pull this particular section out and say, "We have considered it and you are being treated all alike." You can take five or 10 properties in a municipality and say, "You are all assessed at the same level." But it could be they are over-assessed and because the assessors have over-assessed a certain particular piece of property it doesn't mean the other five or 10 property owners should have to suffer the consequences.

I suggest that's about what the bill does. It gives the minister more authority in this area and I think it's wrong. For 10 years municipalities and taxpayers have been concerned about this. As I said, the regional municipality of Niagara wants market value assessment with tax reform. I think this is what we are all looking forward to, some method of bringing about equality in assessment practices in the province, but section 86 doesn't give us that. All it does is say the ministry can revalue a property to no more than the highest in the area. It can't go beyond that level.

There's no change in the assessment for that municipality, but it does not remove the inequities within that system—there is no doubt that there are property owners who are not paying their fair share—and it doesn't resolve the matter of market value assessment. We have seen the tax shift from industrial-commercial to residential. It can be seen when one uses market value in the equalization factors, based on the 1978 sales. It is one hell of a mess.

The member for Hamilton Mountain spoke of the return of the rolls. The member for Brant-Oxford-Norfolk was right; I think the assessment rolls are to be returned to the municipality by the third Tuesday after December 1.

I have made some inquiries and some municipalities, particularly in the Niagara region, are really concerned about this area because the ministry can offer no guarantee

that the tapes or rolls will be returned so they may apply section 43 for additional assessment purposes. There is no guarantee of that, even for next year.

He says here that apparently, it may be due to a computer breakdown. Nevertheless, the assessment division claims that, hopefully, the municipalities will have their tapes by January 10, 1980. But there is no guarantee on that. From the information I have, some municipalities may not get them until the middle of February.

This says, "This is generally done by December 18 of any given year, with notices sent out by December 3." A year ago, all their notices were done by this time. I believe then there was a commitment from the ministry's assessment division, that there would be some corrective measures made to speed up the return of the assessment rolls. That was promised, I believe, back in 1977.

To date, it hasn't improved any; it has got worse. The municipalities have a tax billing to do. If they receive the tapes by January 10, they will probably be all right, but since there is no guarantee of that municipalities will be left in the dark until they actually receive their tapes.

Regardless of whether or not this bill is referred to the standing committee of justice, and perhaps it is relevant that we do send it there, we need open discussion and open debate on the matter of the procedures and practices used by the assessors in Ontario. I question if they are using the same assessment practice in that region, from one area to another. It may be close, but not that close.

I don't know what rental factor they are using. Maybe they apply it just to St. Catharines and Niagara Falls, which would differ from Port Colborne, Wainfleet or Fort Erie, even taking the sales to a willing buyer from one municipality to the other. I can see the injustices done on the equalization factors based upon market value and I can't justify saying that little people or small urban areas should carry a bigger share of the tax burden for apportionment costs for regional government or even for the school boards. I suggest it is time the assessors were subjected to their peers—let's put it that way—that the taxpayers have a right to know just what they are doing.

When the time comes that a person must appeal his assessment, he should have full knowledge of what the practices are and what methodology is being used in assessment. At the present time, I just can't see that.

A few years ago, before we got into the matter of the proposed tax reform and market value assessment, the taxpayers in the regional municipality of Niagara, and I think that takes in Lincoln and Welland county, had the opportunity to appear before an assessment review court to appeal their assessment. They didn't have to go through the expensive route they have to now to appeal their assessment because members were appointed from within the region or within the municipality or within the county to hear the thing. It didn't become an adversary system which is what it has become now. Anyone who wants to make an appeal today can't take the normal route to appear on their own behalf before a court of appeal. They have to go out and hire expert help to fight it because there is just no way they can get the information. Even the experts in this particular area do not have the information to make a reasonable appeal on their assessment.

[4:30]

There are many areas we should be looking at and I support my colleague in suggesting that this bill be referred to a standing committee of the Legislature, perhaps the justice committee. I think it's time all the facts were brought out. Other segments of the public should have some input to the decision-making process. It's time the minister set a goal and brought in market value assessment, perhaps phasing it in over a period of five years. I don't know what it should be.

I know a few years ago the assessment was based on about 33 per cent of market value, back in 1965 and 1962. There's no reason market value assessment can't be brought in with tax reform—not at 50 per cent, but go to 30 per cent or 32 per cent or 37 per cent. Phase it in until you hit that level of 50 per cent. It can be done.

The problem is not going to be resolved by postponing it year after year because it is compounding problems at the municipal level. It has caused serious difficulties in municipalities because they don't know where they're at from one year to another, what method they're going to have to look at for grant purposes and market value assessment. It's being used now for certain purposes. Why doesn't the minister go all the way and bring in the property tax reform that is required?

I support the resolution from the regional municipality of Niagara. They can see the inequities in the present system within that region and they want to correct it, but they can't correct it as long as the minister is going to postpone this. Section 86 means nothing to a region unless they all get into section 86. I don't think that's going to resolve the problem either until property tax

reform based on market value assessment is brought in.

Mr. Renwick: Mr. Speaker, I'd like to take a minute or two of the House on this bill. I feel very uneasy about the position we in this caucus are forced to take to support the bill. I feel very much that for the first time the whole problem of market assessment has had its initiative in the government. It has borne the responsibility for all the stages of the investigation of the concept and the way in which it's going to be applied, presumably because it wanted to take responsibility for the introduction of a better system of real property assessment in Ontario.

For the first time, this minister and this government is trying to involve our colleagues on the right and ourselves in this overall problem the government is now faced with. That's a real conundrum for us, because the minister is trying to have us share in some way this interim measure—if it is an interim measure, and no one will ever know now—by which there is going to be some element of equalization in varying parts of the province, depending on where the wheel squeaks the most. I have a very real concern about us being involved at all in it. As my colleague the member for Wentworth has said, we don't have very much choice about it. It's a kind of catch 22, 10 years later, of the government's inability to come to grips with the question of market value assessment, solve the problems involved in it and introduce it, or discard the concept and start afresh.

Instead, we've had the minister—and I think it was my colleague from Cambridge (Mr. M. Davidson) who first blew the whistle on the minister with respect to the use of section 86—using section 86 as a kind of stopgap measure to produce some form of equalization in those areas where there were serious inequities in the assessment.

I'm not particularly enamoured of the suggestion of our colleagues on the right that the bill should go out to a standing committee in the last couple of weeks of this session of the assembly. I don't think that is going to accomplish very much. I don't think it can do other than embroil all of us in an inextricable problem for which no solution is going to be found in two weeks. However, if my friends on the right decide to do so, they can stand 20 members in their place, as I understand it under the rules, and put the bill out to the standing committee. It doesn't really matter to us here because nothing will be accomplished in that period of time. All that we can do is either vote against the bill or vote for the bill.

We have come down in a very difficult situation to support the bill—or could I say not oppose the second reading of it. I would much sooner put it that way than have anybody indicate that we have supported it. Perhaps nonopposition is an accurate statement of the position we are in.

I have some very basic objections to what the government is proposing and what the minister is saying in the bill. First of all, we are now being asked in a kind of retrospective way, and I suppose in a real sense retroactively, to validate what has been done in the past by the minister under section 86 since he started to use this particular device to solve the problem with which he was faced by those municipalities where there were serious inequities, so serious that the municipal councils asked the minister to take some steps in connection with it.

I always have problems when we are asked to fill a vacuum about the legality of what has been done. The minister said in his opening statement that section 86 is being amended to provide a procedure which would not be subject to attack. I will leave it to those who are more knowledgeable about the intricacies of the kind of procedure the minister proposes to say it is not subject to attack.

I want to point out a couple of things that bother me about the proposed amendment to section 86 and the additional procedures to be provided. It is a strange way for the government to draft that particular provision. It has been the opinion of the minister that the inequity exists, but even if in his opinion the inequity exists he cannot do anything unless he is asked to do it by the municipal council.

I think it is a strange position for a minister of the crown to be in where he can say, "I believe there are significant and real inequities in the assessments within these various classes, but I, as the minister, cannot do anything about it until the municipal council decides that I can do so. Then it is in my discretion to make the adjustment which is involved."

It is relatively elementary that any tax and the base for any tax should be very clear. When you introduce a discretionary element for the minister to make the decision, even if it is at the request of the particular municipality you immediately destabilize that certainty of the base of the assessment which everyone is entitled to rely

on so that he knows the base on which his taxes are going to be assessed.

I think there is a very serious flaw in traditional taxing principles. I am not suggesting for a moment it is necessarily illegal. Presumably we in the assembly can do what we want about the method by which the taxing system is imposed in the province. I was worried, as my colleagues in this caucus were, about the OHIP premium changes being done by regulation propounded by the government in the sense that those OHIP premiums were taxes and taxes should be imposed by this Legislative Assembly by act of the assembly and not by the decision of the government by way of regulation.

We took legal opinion on the matter because we felt very strongly about it. We found, of course, that it was our fault. It was our fault here in the assembly that we had allowed that method of taxation to be adopted by the government because the constitution of Canada provides that the constitution of this province, except the Office of the Lieutenant Governor, is entirely in the hands of this assembly. If we passed an act saying we would delegate to the executive the power to change taxes in this province it was our own fault. We were the ones who had departed from the traditional principle that taxes shall be imposed by act of the assembly and not by the executive branch of the crown.

In a funny way, we're being asked—and the analogy is not all that farfetched—to do the same thing. We're being asked now to extend or to regularize whatever the procedures were under section 86. They had not really been used all that often so as to be a matter of great concern to us, but we are now being asked to regularize them in such a way that they can be used in any number of situations. To the extent that we grant the minister or the crown the ability to exercise discretion with respect to the assessment base, to that extent we are granting to the government the ability to vary the taxes of people, because the mill rate, when set by the local municipality, applies to the assessment base as it will be determined by the minister.

I think it's a serious problem for this assembly. I feel concerned and upset and I sense, regardless of the way in which it was expressed by each of the members who have spoken, that members share the disquiet or the sense of anxiety about what the government is trying to do to us over here.

We're being involved in the process. With the lack of clarity by the government about what their intentions are with respect to fair market value assessment, we will have put into the statute and delegated something which may be there for all time. By the time, a year from now, fair market value assessment takes its place, that will be the government's decision; we'll be back where we started and the error of our ways will not exist to catch us out. But if, as I suspect, a year from now we are in the very same position and if we are asked to extend it again, then we are in a funny way grounding in this statute a provision which allows the minister, in his discretion, for what were specific, very limited purposes, to extend a section which will then have very broad application in the province. That causes me immense concern.

I think if I had my druthers on the matter I would simply say to the minister, "No, you're now stuck with fair market value assessment. You've had plenty of time; you've done all your studies. You make it work, and you take the consequences for it." In our caucus we're never as tough on the government as we should be in matters such as this; we decided on this occasion, reluctantly, not to oppose the bill.

May I perhaps speak to my colleagues in the assembly, in all parties? I know my friend, in a moment of being carried away with his rhetoric about the bill, indicated that if we were the government we could solve it. The problem is that I don't think any party forming the government of this province is going to really be able to come to grips with a revision of the assessment procedures in the province and the basis on which the procedures will be adopted that can satisfy a sufficient number of people to avoid the immense political threat which is there for every political party in touching the assessments.

I had some minor experience on a street on which I once lived. I took it upon myself to organize a few of our neighbours in order to try to get an equalization of assessment just on that street. Fortunately, there were more people who were equalized down than up, so I ended up with a marginal number of more friends on the street than enemies. That's the same reality in politics about this whole system. I know of no way in which it can be devised.

I think, after 10 years, we ought to face up to that problem in this assembly and say that if there are fundamental inequities in the assessment system in the province, it's the obligation of this assembly, rather than dragging us in by the back door to this kind of an amendment giving discretionary power to the minister, to say: Let

this assembly look at the question of assessment in this province in the light of the work which has been done on fair market assessment and the information which has been garnered, not only about it but about contrasting systems. Let us try to sort it out and let the assembly come up with a report as to how we will deal with assessment of real property in this province. If one wants to put it in crass, political terms, then we can all share the glory, or the opposite of the glory, of establishing the system.

[4:45]

I don't think any significant change will come out of sending it to some standing committee. I recognize the municipal experience of those who have spoken on this bill, particularly the experience of the member for Waterloo North who, I understand, has a number of amendments to introduce to us, but it does seem to me that it should not be beyond the wit and wisdom of the House leaders of the three parties to at least consider this.

The House leader for the government undoubtedly will consult the government as to whether or not a committee of the assembly should be established to review and recommend an acceptable assessment scheme for real property so we don't bedevil each other with this problem over the next many months. If our caucus is the same as the other caucuses we have all spent an immense amount of time preoccupied with trying to work out some method by which real property assessment would be acceptable to us.

Ours has generally tended to be the best of all possible worlds; no one's assessment will be increased and some will be decreased. That seems to have been the only solution we could come to and we have many elaborate propositions to support the rationale for it. But frankly it has been very difficult for any of us to fully understand the knowledge brought to the table by my colleagues the members for Hamilton Mountain, Wentworth and Welland-Thorold and by others very knowledgeable in the field.

Then, of course, we have very special problems in the city of Toronto, in the area which I represent in this assembly.

The last thing I am is one of the five people in this House who are knowledgeable about municipal taxes or assessments. But in a political sense I simply resent the fact that we are being asked to deal with this problem, in this way, 10 years after the government announced it was going to go to a fair market-value assessment.

I would hope the proposal, the suggestion I made, might find some favour and perhaps the three House leaders and the government House leader, consulting with the government, might decide all should share the blame and all should share the glory and have a committee of the assembly. Let it report what the bases are to be for the assessment of real property in Ontario. I emphasize the plural, "bases," because to tell me that one can attribute the same fair market value to the east tower of the Canadian Bank of Commerce is an exercise in which we're not prepared to engage in this party.

Let's see whether or not we can come up with some kind of classification of property, tests to be applied to particular properties which will in some way, even if it were to take two or three years for such a committee to report, lead to a resolution of this problem on a collective basis within the assembly. We could then all take whatever blows or accolades we might deserve because of it.

I would hope the minister might pursue some solutions to the problem, which is evident in the anxiety and concern expressed by all members on this side of the House, regardless of party, who have spoken on this bill.

Mr. Deputy Speaker: Is there any other honourable member wishing to participate in the debate? If not, the honourable minister.

Hon. Mr. Maeck: Mr. Speaker, very simply, I am here with an amendment to the Assessment Act, which deals with two major amendments and a couple of minor ones. I am not bringing something new to this Legislature. There has been a freeze on assessment since 1970 and there is no change in that.

The section 86 program has been operated under the regulations. The assessment programs enforced in the 14 municipalities we have done up to this point have been done under regulation and under authority of section 2 of the Assessment Act; that regulation was passed. The problem, simply, is this: three major corporations have started court actions against the ministry and the municipalities in which the assessment was involved saying they doubt I have the authority as the Minister of Revenue under section 2 of the act to pass the regulation.

The reason for bringing this particular amendment into the Legislature is to confirm that this is the intent of the government;

this is the program with which this government is prepared to proceed. None of the things I am proposing here is new. I don't know why the members feel I am assuming more authority than I had before. I have used the authority under section 2 to pass regulations which are almost word for word what is in the amendment under section 86 here, which have been challenged.

This is the right, of course, with any regulation or law. People have the right to apply to the courts to challenge the regulation. My people inform me, and insist at this point, that I do not have the authority to pass the regulations. But the fact remains it may take two or three years to resolve, through the courts, whether or not that is the case. In the final analysis, the courts will decide whether or not I have the authority to pass the regulation.

In the meantime, certain municipalities are sitting in left field. At this point they don't know in which direction to turn. There are three municipalities involved in this particular matter because three different corporations in three different locations have started court action.

Very simply then, I am saying to the members that the amendments to the act, as proposed, are consistent with what is taking place in the ministry up to this point. As well, 107 municipalities have requested an impact study on section 86. Somewhere between 75 and 80 municipalities have now passed resolutions, having looked at the impact study asking this ministry to implement a section 86 program.

If the amendment does not carry, all the municipalities will be left in a position where they really don't know where to go. They would then have to wait for a court decision before they would know finally whether or not the Minister of Revenue has the authority to pass the regulation.

I refer to the remarks of the member for Brant-Oxford-Norfolk (Mr. Nixon), referring to the third Tuesday of December to carry out the necessary functions that must take place within the Ministry of Revenue. That refers to sending out the rolls to the municipalities, which is quite true. The assessment notices themselves under the act must be sent out by December 4. This is a much shorter period of time.

I am personally not going to recommend that this go to committee. I see the members of the opposition are in place. If they so desire that this go to committee then so be it.

Mr. Epp: Mr. Speaker, I wonder if I might ask the minister for clarification on some of the matters he has raised, because I think it is important with respect to this piece of legislation. I wonder if he has intentions to refer the matter to a committee some time in the future, because I think it is very important this matter be discussed or that there is a special debate on the matter.

Mr. Speaker: Under the standing order, on second reading when the minister has finished talking, that ends the debate. I have no authority to alter that.

Motion agreed to.

Mr. Nixon: Mr. Speaker, we want it to go to the standing general government committee, if that is the appropriate standing committee.

Mr. Speaker: Twenty members having risen, under standing order 56(c) the bill will be sent either to a standing or a select committee. What is the minister's wish on that? Standing general government committee?

Hon. Mr. Maeck: At the discretion of the House, I would say whichever committee is able to handle it. I don't want to direct it to a committee that is so busy it can't look into the situation. I would prefer standing general government.

Ordered for standing general government committee.

CORPORATIONS TAX AMENDMENT ACT

Hon. Mr. Maeck moved second reading of Bill 165, An Act to amend the Corporations Tax Act, 1972.

Hon. Mr. Maeck: I have a few short remarks. As part of the introductory remarks on the second reading of this bill I would like to refer the honourable members to my statement in the House on November 6, which dealt extensively with the contents of the bill. In view of those previous remarks, I will only summarize the main features of this particular bill.

To begin, repeal of the statutory liens provision of the Corporations Act, 1972 is a direct result of my ministry's commitment to tax simplification and deregulation. The current statutory lien protects provincial revenues by encumbering all corporate assets. However, after careful review, it became clear it was not necessary to interfere with all corporations in order to protect revenues from a few that may have abused the tax system.

Our studies indicated that removal of this broad and generally disruptive approach to collections and the redirection of efforts to known collection problems would preserve revenue yields, while at the same time easing

the work loads of corporations and their representatives. This thinking is reinforced by our experience following repeal of similar statutory lien provisions in Ontario's commodity and sales tax statutes.

Given that the vast majority of provincial corporations posed neither collections nor payment problems, removing the direct interest my ministry has taken in corporate capital assets transfers should present a substantial direct benefit to the province's corporate tax filers.

Members will recall from my previous statement that currently application for a lien clearance must be made for every transfer to ensure that assets are not encumbered for purposes of the Corporations Tax Act, 1972. Passage of this amendment will mean that a registered lien will be required only if it becomes necessary to encumber corporate assets to collect taxes.

[5:00]

This amendment will reduce a costly, and in this instance unnecessary, government involvement in this province's corporate business activities. At the same time through the redeployment of those resources presently required to administer the statutory lien, it will be possible to preserve Ontario's corporations tax revenues through effective and timely collection action.

In closing, I would like to reiterate that the amendments proposed in this bill represent yet another achievement of this government's total commitment to deregulation and tax simplification. Passage of these amendments will protect the interests of the province but will not impede the day-to-day business pursuits of the corporate communities.

Mr. Haggerty: Mr. Speaker, we will be supporting the bill this afternoon. The amendment proposes to improve the taxpayers' services and reduce government red tape. I think we all agree it is time the government moved in a direction of deregulation and simplification of some of the tax legislation that is already on the books.

I want to discuss the proposed lien provision. It will be effective only if the corporation tax branch chooses to register a notice of a lien against the property of the corporation which owes taxes. The provisions will be used when the branch has experienced or expects to experience some difficulties in collecting tax arrears.

If I interpret it correctly the amendment covers two areas—the property lien itself and other liens that may be considered taxable by the minister. I would like to have a further explanation of just what this area means. The minister has indicated revenues can be protected without the need for impeding the corporate taxpayer. He says, "More effective collection methods, concentrating on delinquent payments and non-compliance with the statutory requirements, has enabled us to protect revenues where the statutory lien provisions has been repealed to date." What measures does he have to enforce the present regulations where there is a corporation that has reneged in payment of corporation taxes?

I think we can accept the principle that they will have to register a lien on the filing of an affidavit, or whatever it may be, with the registry office. So could the minister say what measure he has to protect his ministry so that he will be able to collect delinquent taxes?

Reading further into the details of the proposed change: "The Minister of Revenue may apply a lien on real property in Ontario if the corporation owes taxes, interest, penalties, costs, et cetera, under the act. A notice of the lien is registered in the proper land registry office."

The legislation is only permissive. It isn't that the minister "shall" apply a lien; it is a matter that he "may" in his judgement apply the lien. I was wondering if it wouldn't be too permissive, so there would be more delinquent payment of corporation taxes to the government.

With those few comments, this party will support the amendment to the Corporation Tax Act. Hopefully it will reduce some of the red tape and speed up the process of corporations in exchange or purchasing of property or selling of property. I think it has been a costly expenditure for corporations. I think it is a move in the right direction that we do see some simplification in tax policies by the Ministry of Revenue. Those are the questions that perhaps the minister can give me some information on. What protective measures are there for delinquent taxpayers? Is there a penalty clause under the regulations in the amendment of this particular section?

Mr. Charlton: Mr. Speaker, I would like to say through you to the minister that we are going to support the bill on second reading.

In a discussion I had with the minister very shortly after the introduction of this bill for first reading, the minister suggested to me that I should talk to my colleagues the member for Riverdale (Mr. Renwick) and the member for Lakeshore (Mr. Lawlor) about the bill. He assured me they would say quite clearly to me that this was a good move on

the part of the Ministry of Revenue. The minister was correct. They concurred that getting rid of the statutory liens provision was a good move. However, they also raised a number of concerns with regard to subsections 1 and 3 of section 167 of the act which is laid out in section 1 of this bill, areas with which, unfortunately, I guess, I wasn't familiar enough. They were concerns, as the member for Erie has expressed, about the lack of obligation on the part of the minister under the new section to register a lien under any circumstances and, in subsection 3, the section dealing with the discharge presently existing on registered liens, that there is absolutely no comment about any situation where those liens had to be registered under this new section.

These concerns were expressed to me and we sat down and discussed them and consulted legal counsel and, as the minister is aware, I am going to be proposing amendments to these sections in committee of the whole House. We are in support of the proposal to get rid of the statutory liens, but we think there's a very decided need for some clearer definition in this bill.

Mr. Breithaupt: Mr. Speaker, I am pleased to rise in support of this particular legislation.

I recall some years ago in the practice of law it was a commonplace that every real estate transaction had a letter which went out to the Ministry of Revenue to inquire whether there was corporate tax clearance or not. There surely must have been a tremendous amount of time spent for what was otherwise a routine circumstance. I don't recall in a dozen years of practice more than one or two that came back with any positive claim that had to be accommodated, but there certainly was this requirement of having to have a clearance. It was a valid requisition on title and, as a result, it took time and effort and very often had really no validity in trying to sort out provincial tax obligations. Certainly it's best to have a claim known, but the best way to have that claim known is to have it clearly registered on title if in fact it does exist.

I welcome this change because it will put the onus on the ministry to give clear indication to anyone searching a title that there is a claim which can then be attended to as any other obligation on title might have to be dealt with. I welcome this amendment because I think it will save a lot of time, a lot of wasted effort, and I certainly look forward to having it passed as quickly as possible.

Mr. Renwick: Mr. Speaker, my colleague has mentioned the conflict that my colleague the member for Lakeshore and I had about the bill. As my colleague has stated, we are satisfied with the removal of the statutory lien but we do not want to leave it entirely to the discretion of the minister whether he does or does not register a lien.

We have proposed in an amendment to put in two tests, that is, in arrears for a year and in excess of $1,000. The amendment has been distributed.

I just want to make the point that the two tests aren't necessarily etched in stone. If the principle of the amendment can be accepted or considered by the government, then we would be prepared to accept some different tests about the obligation on the minister.

The other point we were very concerned about is that there must be a significant number of corporations at the present time that are in arrears, that will have the benefit of the removal of the statutory lien, but will not be subject to having that lien continued until such time as the arrears are cleared up. It is that kind of problem we are attempting to address in the amendment which my colleague will be proposing when the bill goes into committee of the whole House, because there may be a little bit of time until that happy event occurs.

We also were concerned that the words "real property" are the only definitive words with respect to the kind of lien that can be registered in the appropriate land registration offices. We wanted to make certain that it perhaps be extended to include the term "leasehold" because of the problems involved with deciding whether a leasehold interest in land is real property or not. The amendment which, as I say, my colleague has distributed includes that point as well. Subject to moving the amendment in committee, as has been stated, we support the bill on second reading.

Hon. Mr. Maeck: Very briefly, the member for Erie wanted to know what other means we had of collecting the taxes owing. There are many actually. A few of them are such things as taking security bonds, mortgages, warrants of execution, garnishments, personal guarantees and bank letters of credit. Those are some of the various ways and means we can secure money that is owing, besides placing a lien at the local registry office. There are fairly ample means of ensuring that the taxpayers or the province receive their just taxes.

With reference to the amendments that are being proposed, I have had my staff look at these amendments. I got them only at noon. There are some we can accept. There was one we have some concerns about. However, perhaps it would be better to discuss it in detail in committee.

I can assure the member for Riverdale we are more than prepared to include the clause he wanted included, which was leasehold interests in real property. My staff sees no problem with accepting that amendment. We have perhaps a little different way of proposing the amendment. I will send him a copy of what we are proposing.

We have really no problem with the 60-day amendment that is being proposed either, other than we would prefer to see it changed in such a way that we would be talking about a date rather than the 60 days. But we do have some concerns about the other amendment and we will probably get into detail on it in clause by clause.

In the meantime, I will send members copies of the other two amendments which we would propose to replace some of theirs.

Motion agreed to.

Ordered for committee of the whole House.

[5:15]

House in committee of the whole.

SECURITIES AMENDMENT ACT

Consideration of Bill 156, An Act to amend the Securities Act, 1978.

On section 1:

Mr. Renwick: Mr. Chairman, I see absolutely no reason for this amendment being introduced into the bill. I can well understand that those who are engaged day by day—the lawyers and the accountants—are very concerned about the clear statement we have in the present bill that states, "Misrepresentation means an untrue statement of material fact or an omission to state a material fact."

That is quite a clear statement of what the fundamental provision of disclosure in this bill is about. I see no reason to provide the kind of legalistic amendment which has been proposed to subclause ii of that definition of misrepresentation to add the words "that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made." That's the kind of lawyer's hair-splitting that gives them the opportunity to get off the hook with respect to the question of misrepresentation.

Perhaps I need not reiterate to this assembly that the gut provision of the securities law of this province, which is time-honoured, is "A proposal shall provide full, true and plain disclosure of all material facts relating to the securities issued or proposed to be distributed and shall comply with the requirements of this act and the regulations."

That is in section 55 of the Securities Act. We are talking about a misrepresentation about the material facts which are required to be disclosed. I'm opposed to the amendment to section 1 of the bill. Provided I have enough of my colleagues in the House, if necessary, we'll stand and oppose that particular amendment.

Section 1 agreed to.

On section 2:

Mr. Renwick: I don't really mind being defeated on that part of the bill as I expected to be defeated. We would have been defeated on the amendment when it was put in the House. As long as we've registered our objection, I think time will tell that was the most unwise amendment to have been carried into the Securities Act of this province.

On section 2 of the bill, will the minister please tell us—it's commonly known, but I think the record should clearly show—the precise circumstances which led to the necessity of the commission's sitting outside Ontario and being able to sit in conjunction with any other body anywhere else in the world that may be engaged in the regulation of the securities industry?

I don't have any particular objection to it, but my innate caution indicates to me the minister had a specific situation in mind, whereas I understand the commission met with the complementary commission in Quebec with respect to a very basic problem. As a result of that, the ministry has now introduced an omnibus provision which says the commission can sit outside Ontario with any other body with respect to the regulation of the securities industry.

I wondered why the government decided it must go that broad when after all these years this was the single situation where it was required.

Hon. Mr. Drea: Mr. Chairman, I think the honourable member knows about the Simpsons merger. There was a joint hearing conducted with the province of Quebec. There were technical objections raised as to the validity of the hearing and because of those technical objections being filed it was decided for the future, whether or not a similar matter ever arises, to include this section. It

clarifies the right of the commission to hold these hearings.

There have been joint investigations before with other commissions, but since those objections were raised at the time we felt it necessary to clarify it at the first opportunity—and this is the first opportunity.

Mr. Renwick: I don't know why the assembly is asked to consider a worldwide extension of the provision because of that particular requirement.

I would ask the minister to speak to a couple of other questions in relation to that section. I am concerned about the exercise by the commission outside the province of the powers and authorities given to it. In other words, the commission has a number of quasi-judicial authorities and administrative powers it can exercise. When I read this proposed subsection, I tried to think the ministry had thought about that aspect of it and that it was carefully limited to holding hearings outside. In other words it was limited to holding hearings and receiving, in a passive sense, the required information for its decision-making purposes. It could consult with any other body during the course of a hearing, but it was a very real limitation of the power of the commission sitting outside the province so we can be certain that the effective exercise of the decision-making authorities—whether administrative or quasi-judicial decision-making authorities or any other powers granted to the commission under the statute—takes place by the commission in Ontario, although they use the information which they have received at hearings held outside and they may consult outside with respect to that information.

Would the minister please let me know whether or not that is a correct limitation on the power of the commission if we grant this section?

Hon. Mr. Drea: These are extraordinary cases—to have the joint hearing in another jurisdiction. You are really asking for the commission to sit there, receive all the information and then embark for Ontario where it will make the decision. At least that is how I understood you. What is the point? They are surely in a position to render a decision in the securities field, of all fields. The promptness of the decision is most vital.

I could understand if the member was going to oppose the right of the commission to hold joint hearings in another jurisdiction. I wouldn't agree with it but I could understand it. But by the same token, to tell him he can hold a joint hearing in another jurisdiction, but must pack up his information and come back within the territorial limits of Ontario before issuing a decision is drawing a very fine point.

Mr. Breithaupt: It might be more helpful if the minister were able to give us an example of the kind of expectation he has. I can understand the need to work in conjunction perhaps with the Quebec securities commission or that of the state of New York, or possibly even with the securities commission in Washington. If we had an example of the kind of event that would call this procedure into practical use, we would have an idea of the practical use to which this section may be put.

Hon. Mr. Drea: I think the best example, and the one that brought this into the act, was the Simpsons-Bay takeover. There were different proposals emanating from different jurisdictions. Therefore, the only way to really make an effective decision, particularly on the insider thing, was to hold that joint hearing.

I'm sure the honourable member can understand the difficulty when we weren't allowed to have that type of hearing, particularly with such a very large takeover. We're constantly assured in this House that there are going to be more and more takeovers of the dimensions of the Simpsons-Bay takeover—I suppose that's debatable. If there are offers emanating from another jurisdiction, the commission would be in a very difficult situation if it couldn't engage in a joint hearing.

Bear in mind the commission did go to Quebec on that one and did hold a joint hearing. Then technical objections arose with the commission and I think properly so. The concern really revolved around the commission's authority to hold a joint hearing, and at its first opportunity, it wanted that right clarified. I don't think we want a limitation that because something that will affect the securities market in this province emanates from another jurisdiction it is really beyond the scope of the commission. I think we're going to find more and more of that.

The days when the financial centre of the country was in Ontario are over, by popular assumption. There are other places in the country where matters such as that particular type of takeover bid can arise.

We've held joint investigations with the Manitoba exchange. It never came to a hearing, but joint investigations were held. To say we can understand the logic of holding a joint hearing, but assemble all the information and get back within the territory is drawing a very fine line.

Either the commission has the right to enter into joint hearings with another jurisdiction in that jurisdiction, or it doesn't.

Mr. Breithaupt: Does the minister expect other states or provinces to follow this approach providing for extra-territorial meetings? Is this becoming a natural development in securities commission organization? Would this benefit be possible for other commissions?

Hon. Mr. Drea: Bearing in mind that Canada's very fragmented securities legislation is provincial, not federal, this is an obvious step. It's been said quite often in this House that the Ontario Securities Act, with all its ramifications, is really a national securities act; others model themselves after it because the bulk of the business is done here. I think that's a very logical step.

[5:30]

It's really up to the individual province whether it wants to follow along, but on the basis of being able to hold a joint hearing here in Ontario on a matter that has arisen in Ontario but which is of concern to another province, this indeed improves the flexibility and the scope of the commission in the other provinces. It's not just a turnover to the Ontario Securities Commission in the hopes that the Ontario Securities Commission alone will unravel the thing and make the decision here.

Mr. Renwick: This is getting argumentative rather than discussive and I don't think any point can be served by making it argumentative.

The principle that a commission of this province affecting the rights of people within this province would make decisions outside the province is wrong. I don't mind them going out to hear whatever information they want to hear, but I am opposed to a commission of this province making decisions outside the province about matters affecting people within this province. The best paternal will in the world doesn't permit a commission such as this to exercise its authorities outside the province.

I have no problem with it. You're going to do it anyway. The commission rides high, wide and handsome over everybody. All we can rely on is that somebody, somewhere, will object to the extraterritorial decision-making power of this commission so that it can go to the Supreme Court of Canada for a decision as to whether or not a creature like this body can make decisions outside the province which affect the rights of people in the province. I think it's a very real question, but I'm sure the fees will justify the decision to take it to court at some point.

My recollection is that the commission can sit with only one person. Can one person go out and be the commission for the purpose of these hearings?

Hon. Mr. Drea: Two.

Mr. Renwick: Two people must go. Is it the intention, or do you know of any circumstances now where the commission will be going abroad?

Hon. Mr. Drea: None that we are aware of. I should point out too that, in addition to two going, there has to be notice given that they are going.

Mr. Renwick: Everyone knows that in a country of this size it is a significant disadvantage to be told the commission is going to Washington to hold a hearing where decisions may be made affecting people in Ontario. If the commission decides to go, say, to London, England, or Switzerland or Germany to hold a meeting in conjunction with another securities body to make decisions out there, everyone knows that notification has to be given.

It seems rather strange to me that with all of the abilities at the disposal of the commission you couldn't, perhaps, have so phrased this particular amendment to the bill to have limited its authority for the specific purposes for which it is required. I just happen to believe that commission should be required to make its decisions, with the wide authority which is granted, within Ontario without impairing in any way its ability to travel wheresoever it may wish to go. Meeting outside raises a very serious problem for me, particularly when, presumably, it can make a joint decision outside the province with some other commission and not a separate, responsible decision, even though it may be identical with the decision made by the body with which it is meeting.

Those are probably legalistic points, but there will be other days when this particular commission will finally come to the point where there will be some basis by which it will be accountable not only to the minister, who is as ill-informed about these matters as this assembly is, but maybe some day, as I said on second reading, we'll have an accountable body in this House which will see to it that the proper thought and attention is given to the scope of the amendments which are introduced into this assembly.

Hon. Mr. Drea: Mr. Chairman, I just want to make one point. In fairness to the

commission, this minister is massively well informed by the commission.

Section 2 agreed to.

Mr. Chairman: Are there any comments on any other sections?

Mr. Renwick: No comments.

Sections 3 to 6, inclusive, agreed to.

On section 7:

Mr. Renwick: Mr. Chairman, both the chairman of the commission and the minister, at various times when they have been speaking about the new provisions in section 62 with respect to short forms of prospectus and summary statements, have limited the application of those to particular forms of securities to be issued. However, I want to point out to the assembly there is no such limitation with respect to the use of the short form or of the summary statement to the two particular instances to which both the chairman of the commission and the minister have referred.

As far as I recall, they have spoken about the summary statement being used with respect to mutual funds and they have spoken about the short form of prospectus being used for junior mining securities. They have indicated that those are the initial areas where they intend to use them, but I think the assembly should be quite clear that the reading of those statements does not indicate as clearly as it should that this is now the introduction of an omnibus provision, permitting the use of short forms of prospectus and summary statements.

Again, it is a kind of gradual encroachment on the question of full, true and plain disclosure, disguised as, "Well, nobody wants to read all that elaborate information in there and so on and so forth, and in this day and age, we can clearly convey to people what is required to be conveyed so there be full, true and plain disclosure."

When you read the strange language of the proposed section you have this provision: ". . . and any such prospectus"—that is, the short form of prospectus—"that complies with the regulations applicable thereto"—that is the governing phrase, "complies with the regulations applicable thereto"—"shall, for the purposes of section 55"—the gut section of the Securities Act; those are my words, that is not in the bill—"be considered to provide sufficient disclosure of all material facts relating to the securities issued or proposed to be distributed under the prospectus."

There is this unusual situation, of course, that the short form of prospectus, provided it complies with the regulation, will not be subject to attack as failing to comply with the act. The regulations can cut down on the very gut provision of the statute which says that "A prospectus shall provide full true and plain disclosure of all material facts relating to securities issued or proposed to be distributed and shall comply with the requirements of this act and the regulations."

If it is used in this way, that the short form prospectus must comply with this act and the regulations, then I could understand it, but as I said at the beginning, disguised as simply a more convenient way to convey information of an essential nature to proposed investors, particularly in junior mining securities, which is the example used, we find that as long as it meets the requirements of the regulations, it will be deemed to be compliant with section 55 of the act.

They are lawyers' games and that is the way the game is being played. Who expects the public to be fully informed about junior mining issues? We had that trouble in this assembly a few years ago. Windfall Mines is a good example of it. We tried to close a number of the gaps with respect to it. Now, for very good reason, there is an endeavour to provide incentives for junior mining securities. I am not objecting to that. What I am objecting to is the way in which this act is drafted, which I think permits the regulations to cut down on the operative, fundamental nature of section 55 of the act.

Mr. Breithaupt: Mr. Chairman, I am not quite as pessimistic as the member for Riverdale about the hope that the new section 62 will be a benefit to the junior mining community. I recall the comments which I made during the estimates, encouraging some incentive and direction from the ministry which would be clearly seen in the securities market as an attempt to support the need for new junior mining prospects. At that time, the minister said there were commitments he was prepared to enter into and that the new legislation would be coming forward which would, hopefully, stimulate this area of development.

We are well aware there have been some difficulties in the past. The member for Riverdale referred particularly to the Windfall situation, of which anyone involved in the securities field would be knowledgeable. I realize we are trying to stimulate in a way that is going to have, hopefully, the best results for the public with the least interference or drag on the legitimate development of a prospective mining circumstance, which these junior mines usually are. It is a balance which is difficult to strike.

If we have this section now in the bill, we have at least the opportunity to encourage the development of junior mines, where there has not been any development at all I can recall in these last several years. This may not prove to be a perfect section. It may well be that within six months the minister may be back with certain changes that have to reflect the quick way in which the securities market can change.

I think it is still worth while for us to attempt to deal with this matter and encourage them by the use of this section. If there have to be changes or if the regulatory procedure that results from this proves to be less than satisfactory, then surely the ministry can tell us about that at that time. For the moment, I am prepared to give this section a try.

Section 7 agreed to.

Sections 8 and 9 agreed to.

On section 10:

Mr. Renwick: In section 10 of the bill, which provides for rulings by the commission, would the minister advise us specifically and categorically whether all such rulings are made in writing and are available to the public?

Hon. Mr. Drea: Yes, on both.

Mr. Renwick: Would the minister advise us what are the ingredients of the decision making process by which they decide it will not be prejudicial to the public interest?

Hon. Mr. Drea: First of all, guidelines are published. Second, if it is a routine order, there is an informal procedure. If it is a very involved matter, then there is a full hearing.

Mr. Renwick: I take it, so far as the commission is concerned, the minister has said the decisions are public, are in writing and are available to anybody who wants to take the trouble to go and read them. Also they give the reasons on the basis of which they decide it is not prejudicial to the public interest.

[5:45]

Hon. Mr. Drea: As a matter of fact they are all published in the weekly summary, so it's not even a question of having to search them out.

Mr. Renwick: I have seen no reasons of any significance in the weekly summary or in the published monthly summary.

Hon. Mr. Drea: I am advised that in this week's weekly summary there are some reasons published. In last week's there were reasons published.

Mr. Renwick: I guess I haven't seen this week's.

Section 10 agreed to.

Section 11 agreed to.

On section 12:

Hon. Mr. Drea: On section 12 there is a typographical error.

Mr. Renwick: I wanted to be able to say that I had, over these many months, got one amendment into the new securities law; this will be the first one.

Mr. Chairman: Mr. Renwick moves that section 88(2)(d) of the act, as set out in section 12(2) of the bill, be amended by striking out "offeree" in the fourth line and inserting in lieu thereof "offeror."

Mr. Breithaupt: Mr. Chairman, I think a matter of this gravity should be fully and carefully explained by the person who has made the amendment. I look forward to the explanation.

Mr. Renwick: Mr. Chairman, we have the offeror and on the other hand we have the offeree. The minister in drafting the bill got his hands mixed up. We have to reverse the hands.

Motion agreed to.

Section 12, as amended, agreed to.

Section 13 agreed to.

On section 14:

Mr. Chairman: Hon. Mr. Drea moves that section 14(1) of the bill be deleted.

Mr. Breithaupt: Mr. Chairman, I recognize that the minister, in his discussions with me earlier, had stated there were reasons to change this proposed legislation, particularly because some of the details apparently weren't going to work out in the system. Perhaps the minister could let us know what he foresees as a frame in which some changes can be accommodated, so that we would expect an amendment that will deal with the notice of variation we are not going to have in this bill.

Hon. Mr. Drea: I mentioned this on second reading last spring. We are very confident we could have proceeded with this section—that it did meet the tests of the technical objection—but rather than waiting to see whether it did or not, we decided we would delete it at this time and get a full comment over the winter months and bring in an amendment that does categorically meet the tests.

Mr. Breithaupt: Mr. Chairman, I just wanted to have that on the record at this point while we were in committee.

Mr. Chairman: If there are no further comments, shall Mr. Drea's amendment carry?

Motion agreed to.

Section 14, as amended, agreed to.

Mr. Chairman: Any further sections for discussion?

Mr. Renwick: I am satisfied with section 16, Mr. Chairman. I have no comment. I have one question on section 17.

Sections 15 and 16 agreed to.

On section 17:

Mr. Renwick: My only question on section 17 is the extension of the director's power to include making allocations. Is this just an administrative convenience for the cabinet? Is it a routine matter that's not of any great importance?

Hon. Mr. Drea: Mr. Chairman, I am advised that this codifies what is happening now. There are a number of forms available as to the type of prospectus. The flexibility exists now and all this does is codify the matter.

Mr. Renwick: I do not think the minister understands my point. The power to make regulations now vested in the Lieutenant Governor in Council includes prescribing categories for persons and companies and the manner of allocating persons and companies to categories, including permitting the director to make such allocations.

Hon. Mr. Drea: It gives the director the right to say, for instance, that this is a natural resource company, that is a mutual fund company. That's happening right now. This just codifies that particular selection process. If there is disagreement as to whether the company is a natural resource firm for purposes of the prospectus, this gives the director the right to specify which one it will be.

Mr. Renwick: The practice has been that the Lieutenant Governor in Council has not been doing this and the director is now going to be given the delegated authority. The cabinet has overlooked the performance of this important responsibility. That sounds like a real election issue.

Section 17 agreed to.

Sections 18 and 19 agreed to.

Bill 156, as amended, reported.

COMPULSORY AUTOMOBILE INSURANCE ACT

Consideration of Bill 160, An Act to provide for Compulsory Automobile Insurance.

Mr. M. N. Davison: We were informed some short time ago by the Clerk of the House that the order in committee would be to go back to Bill 165, An Act to amend the Corporations Tax Act, before proceeding with Bill 160. Is there some reason for this switch?

Hon. Mr. Drea: Mr. Chairman, it was my mistake.

CORPORATIONS TAX AMENDMENT ACT

Consideration of Bill 165, An Act to amend the Corporations Tax Act, 1972.

Mr. Chairman: Are there any comments, questions or amendments to any section of Bill 165? The member for Hamilton Mountain.

Mr. Charlton: Mr. Chairman, we were informed by the minister that he was going to move some amendments. It may be better if he moved his amendents first so we can sort out ours. We have one amendment that covers the whole of section 1 of the bill.

Mr. Chairman: Mr. Minister, do you have an amendment?

Hon. Mr. Maeck: Yes, Mr. Chairman.

On section 1:

Mr. Chairman: Hon. Mr. Maeck moves that section 167(3) of the act as set out in section 1 of the bill be amended by striking out "the first day of December, 1979," and inserting in lieu thereof "the 31st day of January, 1980."

Hon. Mr. Maeck: Mr. Chairman, this amendment is being proposed in lieu of the proposed amendment by the NDP in which they suggested a 60-day period. We have taken into account 60 days, but we would like to see it noted by date rather than just 60 days because people reading the bill eventually will want to know on what date this takes place. If it is referring to 60 days after the bill has been approved or passed, then they have to know when the bill was passed. It is a matter of simplification on this particular item.

Mr. Charlton: We are prepared to accept the minister's version of our amendment of 60 days to subsection 3. We still intend to move an additional amendment, adding a subsection 3(a), but we are prepared to accept this amendment on the 60 days.

Motion agreed to.

Mr. Chairman: Hon. Mr. Maeck moves that section 167 of the act as set out in section 1 of the bill be amended by adding subsection 5. "In this section 'real property' includes any interest of the corporation as lessee of real property."

Mr. Charlton: We are also prepared to accept this amendment and I am glad the minister decided to take the suggestion of my colleague.

Mr. Breithaupt: We are also prepared to accept the amendment. It is most worth while, Mr. Chairman.

Motion agreed to.

The House recessed at 6 p.m.

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Official Report (Hansard)

Third Session, 31st Parliament
Tuesday, November 27, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

House in committee of the whole.

CORPORATIONS TAX AMENDMENT ACT
(continued)

Resumption of consideration of Bill 165, An Act to amend the Corporations Tax Act, 1972.

On section 1:

Mr. Charlton: Mr. Chairman, I'm going to have to ask your indulgence for a moment. I think you have a copy of the amendment which I submitted to the Clerk's office this morning. The amendment consisted of several parts to section 1 of the bill. The minister has already moved some portions of that, so I'm going to have to alter slightly the way I move these amendments.

Mr. Deputy Chairman: Mr. Charlton moves that section 167 of the act as set out in section 1 of the bill be amended by adding thereto the following subsection:

"1a. The minister shall register a notice referred to in subsection 1 upon the real property in Ontario or any interest therein of a corporation that is liable to pay tax, interest, penalties, costs and other amounts imposed under this or any predecessor act for an amount in excess of $1,000 where such liability has been outstanding for a period of one year."

Mr. Charlton: In speaking to the amendment I'll start out by repeating our intent in this amendment. It was felt by myself and the member for Riverdale (Mr. Renwick) and a number of other members of the caucus that at some point there should be some obligation on the minister to register a lien against the real property. We felt total discretion was not appropriate—some discretion in the first year of arrears perhaps, and some discretion under a reasonable amount. I should point out, and my colleague from Riverdale did point out during the debate on second reading, we are not hung up on the $1,000 figure. The minister and I did discuss on one occasion, unfortunately after this amendment was already in the process of being prepared by legal counsel, the value of another approach to a limit to an obligation, perhaps a percentage of the total taxes owed by a corporation or company. Perhaps there is some other way of dealing with it. We are not holding hard and fast to the $1,000 figure. If the minister can propose some other way of dealing with this kind of limit, we would be prepared to listen to it and consider it.

In a communication to us earlier, the minister raised a number of concerns, including the fact that the bill in its present form allows him to register a lien immediately. I can see nothing in this amendment which prohibits that. It very clearly says when we reach $1,000 and a year of arrears in terms of time, the minister shall register a lien. I don't think that necessarily precludes the minister from registering a lien prior to that.

However, if legal counsel advises that it does, we are also prepared to deal with that so we are covered in both situations. If something indicates that in the minister's discretion a lien is warranted immediately or within the first year because of the numbers of dollars involved or the reputation of the company involved or whatever the case happens to be, we are prepared to see that the wording is such that these situations are covered.

I can't see anything in our amendment which would prevent the minister from using subsection 1 prior to the year. The proposed subsection 1a merely has us reaching a point where an obligation on the minister's part to register a lien comes into effect.

The minister has also laid out some other concerns or possibilities with regard to this amendment. The minister is saying there may be situations where there are ways of dealing with the arrears other than by a lien against real property. If that is the case, another very simple amendment would cover that by saying, "where no other means exist." I think it would be useful, though, if the minister could lay out for us what other procedures he may have in mind.

At any rate, it seems to us there should be some obligation on the minister's part

when, through time and dollars, the situation worsens. Perhaps the minister can offer suggestions on points I have already mentioned, primarily on a better way of dealing with this kind of an obligation. As I have said, we are not totally committed to the $1,000 figure, which I must admit is an arbitrary figure on our part.

The Liberal critic mentioned to me outside the House earlier today that perhaps our $1,000 figure was too high. We would just like to see some obligation or some point at which discretion is no longer there. Through this amendment I don't want to call into question the ministry's integrity. But all of us in this House have seen, at one point or another, discretion abused. I think that is what we are trying to avoid.

Mr. Breithaupt: Could the minister advise us as to the number of companies involved in these kinds of circumstances? One would think that a very small proportion of the many thousands of corporations within the province might be in arrears. If the minister could give us advice as to the numbers of companies or the percentage of companies involved and also the average amounts of money involved in this kind of circumstance, perhaps we would be in a better position to decide whether or not the amendment before us is reasonable.

Hon. Mr. Maeck: To answer the last speaker's question first, I have some figures before me. According to our records, only 800 accounts owe taxes in excess of $1,000 and they have remained unpaid for more than a year. Of the 800 accounts, 30 per cent are secured, leaving approximately 560 unsecured. Some of the 560 accounts may not necessarily own real property.

The process of registering liens for these accounts has been in full swing for some weeks and will be concluded within the next few weeks. We are already registering liens against these properties to ensure that we have the matter under control when, and if, this piece of legislation passes.

Mr. Breithaupt: This concerns accounts greater than $1,000. Can the minister tell us the number of accounts involved owing lesser amounts and what his registration procedures are?

Hon. Mr. Maeck: I believe we have something like 22,000 accounts owing under $1,000. Some of them may be as low as $1 or $2. I can't give the member a breakdown of exactly what percentage of those accounts are $500 or $900, or anything like that. It ranges from $1 to $1,000 and there are 22,000 cases. The ones we feel insecure about are being registered as well as the ones above $1,000. We are still registering liens.

In many cases, of course, we won't register liens. As I indicated earlier to the member for Erie (Mr. Haggerty)—and this was a question the member for Hamilton Mountain had asked—we have means other than liens to collect or secure accounts. I listed six of them. One is taking security bonds and shares; the second is mortgages; the third is warrants of execution; the fourth, garnishments; the fifth, personal guarantees; the sixth, bank letters of credit.

We use all these means to secure any money owing to us from corporations under the Corporations Tax Act. We have all these means at our disposal. It's not always necessary or prudent to register a lien against the property. We may secure the money owed to the province by other means; these are six of the other means we do use and have been using prior to the introduction of this bill.

Because all these things are available to us, we don't feel there is any danger that the taxpayer will lose out on money owing through taxation because of the amendment to the Corporation Tax Act we now have before us.

The member for Hamilton Mountain did mention some of my concerns about the amendment. It's a matter of opinion, I suppose, as to whether or not this amendment could be interpreted to mean we must register a lien and we must wait a year to do it. We're concerned about that because in some cases we may want to register a lien immediately. While we know that is not the intent of the amendment, it may be interpreted that way, depending on who is reading the section.

[8:15]

We have cases where there could be situations in which we believe a corporation is intending to dispose of its real property. We would want to register a lien very quickly in that case. We wouldn't want to get into a legal argument as to whether or not we were able to do that.

I am told by staff, in answer to a number of the members' questions, that liens are also being registered on accounts where tax is less than $1,000, which is what I indicated to you a little earlier. The liens presently being registered are not restricted to the ones in excess of $1,000. It depends on the circumstances involved as to whether we place a lien or whether we do it through one of the other sources we talked about.

A couple of other concerns we have in the matter of this amendment is the proposed amendment to the bill would require registration of a lien after a year. That's the way it's written. As I indicated earlier, we have ways and means of ensuring the money is going to be paid to us other than liens. My legal staff would interpret this amendment as indicating that after one year I must place a lien, whereas I might want to use a different method under different circumstances. This is one of the other concerns we have about it.

In all of the other taxing statutes we use liens and we use other means of securing money that's owed to us. Our tax loss has been very minimal. I think we have done very well in collecting the taxes due to us through the various means we have at our disposal at the present time to ensure the money owing is going to be secured.

In short, there are circumstances in which I would not want to wait a year. It's a concern we have. I might want to register a lien where the tax owing was less than $1,000, but would not need to register a lien, in any event, if other adequate security was there and available to the ministry.

Mr. Breithaupt: But you wouldn't want to have to do it.

Hon. Mr. Maeck: Yes. Actually, Mr. Chairman, while I realize the good intent of this amendment, I would prefer to reject it at this point because I believe everything is covered. There is no danger of having a tax loss because of the proposed amendment we have before us.

Mr. Charlton: Mr. Chairman, the minister has suggested the amendment was of good intent. It would seem the minister agrees with the intent. It would seem to me the concerns he has raised can be easily dealt with in the wording. The two major concerns are one, he may want to register a lien earlier. It seems to me we can deal with that in wording as an addition to this subsection. Two, he has a concern there may be other ways of securing the taxes owed. If that's true, it seems to me we can deal with that in the wording as well and still accomplish the good intent of this amendment.

Hon. Mr. Maeck: Mr. Chairman, when I said "good intent" I wasn't referring to the amendment itself but to the intentions of the member.

I feel there are adequate facilities at our disposal at the present time to ensure there is not going to be any tax loss. I don't like to be tied down to this sort of situation where there could be some doubt as to whether or not I should impose a lien prior to the year and under $1,000. I'm concerned about that.

If there was any doubt in my mind that we were not going to be able to collect the tax dollars owing to us then I would probably be very supportive of this amendment, but I just can't see where that situation will arise. I still would prefer our way because I think this amendment is more or less redundant. It is not going to do anything we can't already do, other than instruct the minister to do certain things under certain conditions.

I am already charged with the responsibility of collecting the taxes that are owed to the people of Ontario and I can't evade that responsibility. What we are doing here is recharging the minister.

VISITORS

Mr. McCaffrey: Mr. Chairman, with your indulgence, I would like to take this opportunity, and I think the other members of the Legislature will support me at this moment, to introduce the Tran family, new to Canada from Southeast Asia, with Reverend Denholm from Northminster United Church, Sue Watson, Mr. and Mrs. Nosworthy and Mr. and Mrs. Al Jang, active sponsors of the Tran family. I would like to welcome them to the Ontario Legislature.

CORPORATION TAX AMENDMENT ACT

(continued)

Mr. Charlton: I have one final comment to make to the minister. Several days ago when I mentioned this also in the debate on second reading, the minister suggested to me I should discuss this bill with two of my colleagues, which I did. He suggested that on the basis of his knowledge of their expertise in the area. I have done that and, as I have suggested, they agree with the intent of the bill.

Those people to whom he has referred me also suggested in the strongest terms this amendment is necessary. They see some problem if it is not there. The minister referred me to their expertise since I am not an expert in the corporate tax field just as the minister is not an expert in the corporate tax field. It seems to me, therefore, if there is a concern there by somebody who has a fair bit of expertise in this field and if it is as strongly felt as it is, then perhaps we should all reconsider it.

If we deal with the two major concerns about this amendment the minister has expressed, we deal with those in wording. I

don't think the minister can tell me how this amendment can do the operation of the ministry any harm. If we deal with the two concerns the minister has expressed, the one of still having the ability to register a lien prior to the year and less than $1,000 if the situation in the minister's mind warrants it, and the other of getting himself off the hook and not having to register a lien, if he can secure the taxes owed by some other method, as he suggested.

I don't have wording on the top of my head and I am not legal counsel. If I had the wording of it it wouldn't be the correct legal wording, but those two matters don't seem to me to be very difficult to deal with. If they are dealt with in the wording of this amendment, I can see no harm that will come to the ministry because of this amendment. It would cover the concerns that have been expressed to me by those experts to whom the minister referred me.

Hon. Mr. Maeck: My final remarks on the matter, as far as I am concerned, are that I certainly did talk to the member for Hamilton Mountain and I suggested to him that he speak to the two other members of his caucus because I know they are experts in this particular field. I must remind the member for Hamilton Mountain that four amendments were proposed and two of them have been accepted, so I think that little conversation was fruitful. It doesn't necessarily mean because I suggested he talk to his colleague that I have to accept every amendment they might produce.

I think when you are batting 50 per cent that is a pretty good average. My staff is telling me that amendment is not necessary and all of the necessary legal terminology and rules and regulations are there to ensure the taxpayers of Ontario are not going to suffer any tax losses. To bring in an amendment such as this would really do nothing more than what we can already do now, so I don't see the need for the amendment.

Mr. Deputy Chairman: Is there any further discussion on the amenndment moved by Mr. Charlton?

All those in favour of Mr. Charlton's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Hon. Mr. Gregory: Mr. Chairman, will that be stacked until 10:15 p.m.?

Mr. Deputy Chairman. It will be stacked until 10:15 p.m. regardless of whether we have dealt with another bill in the interval.

Mr. Charlton: Mr. Chairman, I have another amendment to section 1 of the bill.

Mr. Deputy Chairman: Mr. Charlton further moves that section 167 of the act as set out in section 1 of the bill be amended by adding thereto subsection 3a:

"The minister shall register a notice referred to in subsection 3 within 60 days of the date on which the Corporations Tax Amendment Act, 1979, comes into force upon the real property in Ontario, or any interest therein, of each corporation that is liable to pay tax, interest, penalties, costs and other amounts imposed under this or any predecessor act for an amount in excess of $1,000 where such liability has been outstanding for a period of one year or more on the date on which the Corporations Tax Amendment Act, 1979 comes into force."

[8:30]

Mr. Charlton: Just before I speak to the amendment Mr. Chairman, there should be one other change to it as a result of the minister's amendments. "The minister shall register a notice referred to in subsection 3, before January 31, 1980"—which is the amendment the minister moved prior to the supper hour—"upon the real property in Ontario."

Hon. Mr. Maeck: You're deleting everything after "subsection 3."

Mr. Charlton: Deleting everything between "subsection 3" and "upon the real property in Ontario" and substituting therefor—

Hon. Mr. Maeck: I see.

Mr. Charlton: —"on or before January 31, 1980."

Mr. Deputy Chairman: Let me read that then. I am not reading the whole amendment but just 3a as I presently have it.

"The minister shall register a notice referred to in subsection 3 on or before January 31, 1980, upon the real property in Ontario or any interest therein of each corporation that is liable to pay tax, interest penalties, costs and other amounts imposed under this or any predecessor act for an amount in excess of $1,000 where such liability has been outstanding for a period of one year or more on the date on which the Corporations Tax Tmendment Act, 1979, comes into force."

Mr. Charlton: Thank you, Mr. Chairman. I'll be very brief.

This amendment obviously is complementary to the other amendment and dependent on it. It deals with the question of the

existing unregistered liens. The minister has already stated that some of those are in the process of being registered now. This amendment is just to ensure that all of those in the category suggested in the proposed subsection 1a, should be registered in the 60-day period of grace which is now given to the minister in the amended subsection 3.

Hon. Mr. Maeck: Mr. Chairman, I understand the amendment the member for Hamilton Mountain is making. But as he said it's complementary to the amendment under 1a and because of that and because of the reasons I have already given, I must reject this amendment as well.

Mr. Deputy Chairman: Any further discussion on this proposed amendment?

Mr. Haggerty: I would like to direct a question to the minister as it relates to this amendment. How many outstanding liens are there that go beyond one year?

Hon. Mr. Maeck: I already gave that information. I don't know if the member was here. According to our records, 800 accounts at the present time were taxed in excess of $1,000 as owing and the taxes have remained unpaid for more than one year as this amendment refers to.

Mr. Breithaupt: There could be many, many more older than one year.

Hon. Mr. Maeck: These are all of the accounts in excess of $1,000.

Mr. Breithaupt: There may be many more that are less than a year old.

Hon. Mr. Maeck: Oh yes, there are lots that are not yet a year old. These are the ones that are a year old and over $1,000.

Mr. Haggerty: Could the minister indicate the highest number then? He said $1,000. Is there anything up around $200,000 or $300,000, something in that category?

Hon. Mr. Maeck: I haven't those figures here. I couldn't tell you that. I don't know whether my staff would have that information with them or not.

Mr. Haggerty: Could you give me the total that is outstanding beyond the one-year limit? Would your staff have that?

Hon. Mr. Maeck: I will have the staff check and find out.

Mr. Charlton: Mr. Chairman, the minister has just given us one of the reasons why we want to see in this bill the obligation that is laid out in the proposed subsections 1a and 3a. He doesn't know, but if he has an obligation perhaps he will sit down and find out so that none of this stuff gets by us.

Hon. Mr. Maeck: If the member thinks that because this amendment was passed I am going to keep track every day of how much money is owed by corporations in Ontario, I think he is dreaming.

Mr. Isaacs: Mr. Chairman, as I understand the minister's previous comment he is opposed to this amendment because he feels it's unnecessary. I want to suggest to the minister that my colleague, the mover of the amendment, has consulted experts and those experts believe the amendment may add something to the bill. Surely the fact that it is unnecessary is not a good enough reason for being against it.

It is our duty here to make legislation clear, to make it unambiguous, to make it helpful to the public. In those circumstances, surely if this helps clarify what the bill is going to do, then it is an amendment that should be supported by the government. I urge the minister to consider it in that light.

Hon. Mr. Maeck: I have considered it in that light, as a matter of fact, and I have had my legal staff look at it. It was my suggestion that the member discuss it with the people you say are professional people and I agree they are. I am trying to co-operate. Out of four amendments we have passed and accepted two. I think that's a pretty good average.

Mr. Deputy Chairman: All those in favour of Mr. Charlton's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Sections 2 and 3 agreed to.

COMPULSORY AUTOMOBILE INSURANCE ACT

Consideration of Bill 160, An Act to provide for Compulsory Automobile Insurance.

On section 1:

Mr. Deputy Chairman: Shall subsections (a) to (f) of section 1 stand as part of the bill?

Agreed.

Mr. M. N. Davison: I move that subsection (g) of section 1 of the bill be deleted and the following substituted therefor: "(g) 'insurer' means the Ontario automobile insurance plan."

Mr. Deputy Chairman: I don't see any part of this bill dealing with an Ontario automobile insurance plan. Can the member point out to me how that is in keeping with the spirit of the bill?

Mr. M. N. Davison: Section 1(g) simply defines an insurer for the purpose of this bill and it defines an insurer as an insurer licensed under the Insurance Act. What I propose is an alternative definition for the word insurer. The definition I propose is the Ontario automobile insurance plan. I think that is perfectly in order, Mr. Chairman. I don't see any problem whatsoever.

Mr. Breithaupt: Perhaps we could be informed as to what this animal called the Ontario automobile insurance plan, is. I am not entirely familiar with the details.

Mr. M. N. Davison: I would like to thank the member for Kitchener for inviting me to explain to the House what the Ontario automobile insurance plan is.

Mr. Breithaupt: It seemed only fair.

Mr. M. N. Davison: Yes, it was very good of him.

The Ontario automobile insurance plan, when we manage to carry my proposed amendment and subsequent amendments, mere technical alterations, in this and other odd bits of legislation that might be necessary, will bring into being in Ontario a public automobile insurance plan. As I was explaining to the House—

Mr. Nixon: A point of order.

Mr. Deputy Chairman: I think the honourable member for Hamilton Centre is trying to explain why he thinks he can bring this within the bill. Then I will hear the honourable member.

Mr. Nixon: I am on a point of order. Is he on a point of order?

Mr. Deputy Chairman: I understood he was on a point of order because I had questioned whether or not this was properly part of the bill.

Mr. M. N. Davison: I was speaking to the motion; I was asked to explain what it was.

Mr. Deputy Chairman: Yes, all right. I had asked that the committee be told how he was to fit this into the bill. I can't see it yet, and I wanted to give him ample opportunity to explain how he was going to fit this proposed amendment into the bill.

Mr. M. N. Davison: I don't have any trouble doing it. Section 1(g) of the bill simply defines what an insurer is. We have to define insurer for the purposes of this legislation.

Maybe I should read in full the definition given in the bill. " 'Insurer' means an insurer licensed under the Insurance Act and carrying on the business of automobile insurance, but does not include an insurer whose licence is limited to contracts of reinsurance." That then becomes the definition for the word insurer in this bill and carries with it a certain set of important consequences for the people of Ontario.

Mr. Deputy Chairman: I understand that. My problem is there is nothing in the bill dealing with an Ontario automobile insurance plan, and it seems to me that to deal with that you are—

Mr. Nixon: On a point of order.

Mr. Deputy Chairman: —expecting there will be something to follow, which I suspect will not be in keeping with the principle of the bill.

The honourable member for Brant-Oxford-Norfolk on a point of order.

Mr. Nixon: I am sure, Mr. Chairman, you are aware that the honourable member is simply attempting to change the principle of the bill by proposing amendments which will change it into a state-operated automobile insurance program. There is ample opportunity to discuss this, but it is not the principle of this bill.

It could very well be that the honourable member is anxious to establish this new authority and appoint me its chairman, and we can discuss the matter when and if this ever comes about; but I suggest to you, Mr. Chairman, that it is clearly out of order. This is not the time to have this lengthy debate and you should so rule.

Mr. Deputy Chairman: The chair did not wish to jump to that conclusion until it heard the arguments.

Mr. Van Horne: Point of order, Mr. Chairman.

Mr. Deputy Chairman: Yes, the member for London North.

Mr. Van Horne: This whole discussion is out of order, because in fact the member for Hamilton Centre would seem to be addressing himself to the Insurance Act, which we are not discussing now.

Mr. M. N. Davison: Perhaps I am not explaining it very well. We are dealing with an act to provide for compulsory automobile insurance in Ontario. Because we are dealing with an act to provide for compulsory auto insurance in Ontario, we, as legislators, are allowed to make alterations, to make amendments as long as we remain within the principle of the bill. All I'm trying to do is present a better and fairer way of providing compulsory auto insurance to the people of Ontario.

I think my amendment is perfectly in order. I can't see any problem with it at all. I look

forward to your decision and I look forward to explaining the advantages of this definition as opposed to the disadvantages of the definition that's currently in the bill.

[8:45]

Mr. Breithaupt: This legislation before us clearly flows from commitments made in the speech from the throne in February of 1978 following the report of the select committee on company law. The involvement with respect to compulsory automobile insurance was clearly debated on second reading of this House and the principle of the bill was approved by this House.

That principle is twofold: One, the provision of compulsory automobile insurance within Ontario; and two, its provision through the present insurance industry. As a result of that, any attempt to amend this is clearly not the principle of the bill that was passed in this House on second reading.

I believe the proposal to change, in a somewhat cute way, the definition of the word insurer is working against the principle of the bill which this House passed.

Mr. Germa: Mr. Chairman, I'm surprised at the confusion that reigns here this evening. People seem to be reading between the lines.

Under the definition, an insurer means an insurer licensed under the Insurance Act. I'm sure the chairman knows that there are 184 companies I could define; if necessary I will write out the names of the 184 companies to which this definition applies.

All the amendment is doing is adding one more company, the 185th company. How can there be any implication that the principle of the bill is not being adhered to?

Mr. Deputy Chairman: I'm hearing a point of order, if the member will make it reasonably short.

Hon. Mr. Drea: That motion does not add a new class of insured. That motion is very plain. It says, "The only insurer in the province is the automobile plan" and there is no such thing.

Mr. Deputy Chairman: Let me hear the member for Sudbury out.

Mr. Germa: How did the minister get the floor, Mr. Chairman? I was speaking when he arose. You might explain that.

Mr. Deputy Chairman: I recognized you.

Mr. Germa: How did you recognize him at the same time?

Mr. Deputy Chairman: I don't think I did, but he was a little more pressing than you.

Mr. Germa: Was the minister out of order?

Mr. Deputy Chairman: I don't think the chair is obliged to answer that point. If the chair took up the position that it had to answer the points every time a member is out of order we'd get no business done in this House. If you will proceed with your point of order.

Mr. Germa: I had a very good argument formulated, Mr. Chairman, which was disrupted by the minister.

As I was saying, this is only adding one more company to the list of 184 presently licensed by the Insurance Act. I submit that because we are not deviating from any principle covered by those 184 companies the amendment is strictly in order.

Mr. Deputy Chairman: Since it's your question we'll hear from you once more; then I'll make my ruling.

Mr. M. N. Davison: I'd like to raise a point of privilege first, in regard to the comments made by the member for Kitchener when he called my amendment "cute." I consider the word "cute" to be unparliamentary and I would hope he would withdraw that remark.

Mr. Breithaupt: I would certainly withdraw it with respect to the member but as far as his amendment is concerned I still think it was cute.

Mr. Deputy Chairman: To the point of order, the member for Hamilton Centre.

Mr. M. N. Davison: On the point of order, Mr. Chairman, when we discussed this bill during second reading the whole focus of the debate revolved around the necessity for compulsory automobile insurance to be accompanied and brought in through a non-profit, publicly-owned, government-run automobile insurance program. That was the entire focus of the debate on second reading. All the amendment does is take one small step towards that; it simply brings a proper definition to the word insurer to Ontario. I think it is in order and we should have a debate and a vote on this matter.

Mr. Deputy Chairman: The chair is ruling the amendment is not in order. It is not within the principles of the bill as approved in second reading. That is my ruling on the proposed amendment.

Sections 1 and 2 agreed to.

On section 3:

Mr. Roy: I want to get back to the point I raised with the minister during second reading, about the operator having compulsory insurance and my concern that if one wants to avoid the provisions of this section he will purchase insurance, get his registration and then cancel his insurance.

The minister talked about the difficulty of the enforcement of that particular section and that we may be in a position to have better enforcement once we start linking names to plates. He described the difficulty in doing that now.

I would like the minister to tell me what we have at this stage to prevent this abuse? What sort of follow-up do we have, apart from a driver being stopped and being unable to produce insurance? Is there any way at all we can follow this through? Secondly, when does the minister think we will be in a position to associate name to plate and give this effective enforcement?

I think the minister understands that for the percentage of people who don't have insurance now who will be forced into buying insurance if they want to drive on our highways, there is a strong possibility, without being overly paternalistic, or pessimistic, towards them, the percentage of people trying to avoid insurance from that group will be higher than the general public.

I think this section—compulsory insurance—will only be effective if there is proper enforcement. I would like to have the minister's comments.

Hon. Mr. Drea: Just to put in into perspective, the figure used right now for those who don't have insurance is about 250,000, or four per cent. Those are the people who never made any pretences or fooled around; they just haven't had insurance at all. That's always a great comfort to everybody, at least it has been in the past, to know that 96 per cent of drivers are covered by insurance. Indeed, I think that's been probably some of the reasoning as to why this bill is only coming in now.

The member has touched upon a very important subject.

Mr. Roy: What you are saying is four per cent don't even have the government insurance.

Hon. Mr. Drea: They don't have anything.

Then we get to those whose insurance has lapsed. They don't cancel; they just buy it for 30 days. They used to take the pink card down when the pink card was required. Now they sign on their form that they do have insurance for the 1979 licence year to avoid paying $150. We know that because they have accidents and it all spills out.

I explained to the member the other evening the difficulty with putting in a system to beat an offender at the licence counter, to ensure he won't be able to do that. It is virtually impossible on a manual system. We say an insurance company must notify somebody when insurance is terminated. If the insured decides after 12 months of insurance he doesn't like the agent, he doesn't like the company, he would like somebody closer, the resulting interchange is obviously a tremendous task but the big problem is the interchanges might be mismatched. In other words, the cancellation notice comes in and the driver gets something from the government saying his licence is suspended, all because the slip of paper saying he really did have insurance didn't come.

Implicit with a plate-to-owner system is total computerization. Bear in mind that's a computerized system for every licence issuer. It's not quite as simple as putting the system in the government offices, because the small offices really handle the bulk of licence renewals, except in Toronto.

As to when that computerization, along with plate-to-owner will come, I can give the member a reasonable guess—It's not in my ministry—I had hoped it would be here by 1979; obviously, it is not. I would think a reasonable guesstimate on the earliest we could look for it would be 1985.

In the meantime, what steps are we taking? First of all, as the honourable member knows, falsifying a licence application is an automatic $500 fine. Allowing the insurance to lapse and not having in force property damage and public liability up to $100,000 is an automatic fine of $500. If a person lies in the beginning, when he has no insurance, there's $500, plus the other penalty. If he has his insurance lapse, there's $500, plus the other penalties.

In addition to the other fines the court may impose, depending on what the driver's doing, he has to buy insurance in order to get his driver's licence back. And when he buys insurance after being caught, he's going to have to prepay for 12 months.

Those economic sanctions add up to quite an imposing amount. Also, we've extended the limitations period beyond the usual six months to one year. It's up to three years.

If you are in an accident, Mr. Chairman, the ordinary limitations will not protect you. You're playing up to three years on it.

I agree with the member; enforcement will be difficult until we computerize. Computerization is very essential and will make the law more enforceable. Until then, enforcement is going to come from being on the highway.

The RIDE program, for instance, provides for more enforcement on the road than was there in the past. So do the spot checks. I will tell the member for Ottawa

East, we're going to find most offenders by way of accidents, speeding, or being stopped by a policeman. That's exactly what we find now. They have claimed to have insurance; they don't have insurance; the motor vehicle accident claims fund has to pay out for them. That is how we're finding them now.

I'm relatively optimistic about it because the people who want to beat the cost of insurance are concerned about economics. The economic sanctions in this are so substantial—in addition to losing your driver's licence, if you're an habitual the plates coming off the car—that it doesn't make any sense to try to beat the system.

Mr. Roy: My concern is very often directed toward the victim of one who does not have insurance. What is the fund now, is it $100,000?

[9:00]

Hon. Mr. Drea: The fund will no longer pay. This is where the victim is probably in much better shape. The fund will only pay for an accident involving a stolen car or for a hit-and-run accident where there is not an identifiable driver. Under this, your own insurance company will act for the uninsured, just as it does now, where there is a vehicle from out of province that is not insured and hits your vehicle, or when you're in another jurisdiction and an uninsured vehicle does damage to either your vehicle or yourself.

It's not under your collision coverage, by the way. The insurance company, acting as though it was its own insured, will pay you. If you don't like the settlement, then you can go to binding arbitration or the courts. The binding arbitration is on the insurance company, not on you. The insurance company will go after that person for the fund.

In terms of the service to the innocent victim up to the $100,000 limit, the member is quite correct, the $100,000 limit is not only for the old motor vehicle accident claims fund, but it's also the minimum package that can be sold by a licensed insurer in the province. Up to those limits you will get better service because the MVAC, traditionally, has had to go to great lengths to protect the rights of the uninsured and so forth. But you will get better service.

In addition to whatever court penalties there are, the uninsured driver is going to have to repay that insurance company. I somehow think they will get him a little bit better than we've been able to. Bear in mind, after the first year I got collection agencies out there looking for between $40 million and $60 million which has never been paid back into the fund by people who promised to pay. We're not talking about blood from a stone or anything. Indeed, in terms of the innocent victim, the innocent victim is covered.

Your problem is going to be not so much on the $74,000 or up to $78,000—it's dropped down quite a bit; it was a higher fee—that we know we're paying into the fund, but it's going to be on these lapsers who, traditionally, have done this. The only thing I can suggest to the member is that on-the-street enforcement will be up, particularly because of the RIDE program, which wasn't around even a year ago; secondly, the economics of it are that the penalties are so substantial that, realistically, you're far better off to buy the insurance package. I think most of them will.

Mr. Roy: Yes, I quite understand that but, as I explained to the minister, my concern very often was for the victim of all this. When he gets into an accident, he may be facing a driver who is not insured. As I understand what the minister is saying, the fund only pays if the car was stolen or if it is a hit-and-run type of situation. Otherwise, if you're talking about lapses and that sort of thing, your own insurance company pays and then takes steps to see what it can get.

This must be an agreement you've worked out with the insurance industry. Would the minister bring to my attention what sections amend the Insurance Act to that effect?

Hon. Mr. Drea: Section 16(3) of the bill amends section 230 of the Insurance Act.

Mr. Roy: That's in Part II of the bill.

Hon. Mr. Drea: Yes.

Section 3 agreed to.

Sections 4, 5 and 6 agreed to.

On section 7:

Mr. Germa: Mr. Chairman, section 7 is that section which sets up and establishes "an unincorporated association of insurers to be known as the Facility Association."

The Facility Association, as we all should know, is designed to accept those risks which the ordinary insurance company has deemed to be high and consequently has refused coverage.

That is supposed to be the principle by which an insurer is put into the plan. This is where the compulsory part comes in and this is where I object to it. I object to the establishment of a compulsory system which forces me to participate in the profit motivation these insurers are deemed to follow. We know the problem of uninsured vehicles is caused largely by the insurance companies and their instinct for creaming the market.

They cannot stay away from seeking out what they deem to be the good risk, the high profit maker for them only. Their only consideration is the bottom line figure.

Whenever the public of Ontario is put into a situation of compulsion and transferred into the Facility, they have a right to expect that service is offered at the lowest possible price. That is not the case of the Facility Association.

Let me just go ahead to section 73, Mr. Chairman, to show the relationship. I will read the section: "The association shall, in its articles of association, establish a plan to be known as the plan of operation for providing a contract of automobile insurance to owners and licensed drivers of motor vehicles who, but for the plan, would be unable to obtain this insurance."

I just happen to have a copy of the plan of operation, and within it is described what will happen to surplus funds, that is profit. There is a provision in the plan for profit to be distributed back to the insurance companies participating in the Facility Association.

Hon. Mr. Drea: Mr. Chairman, remember that document hasn't been approved. Perhaps I should read the member something first. That document was only out there November—

Mr. Chairman: Order. The member for Sudbury has the floor, unless he wants to yield to the minister.

Mr. Germa: Could I ask a question before the minister explains?

In 7(3), to be known as the plan of operation, can the minister tell us what plan of operation, if not Facility Association plan of operation, we are talking about? Let him define the document known as the plan of operation.

Hon. Mr. Drea: Mr. Chairman, I will try to help him out. That document is a draft document that hasn't been approved. I want to read something from a letter, November 26, 1979, which is addressed to the general manager of the Facility Association. This is on page three, and I can give you a copy of it if you want. "(5) We expect the Facility Association rate basis will not generate a profit on the Facility Association portfolio business."

I will read that one again for you: "We expect the Facility Association rate basis will not generate a profit on the Facility Association portfolio business. However, as provision against the unlikely event that a profit emerges, it is expected the Facility Association will submit a suitable schedule for refunding such profits to the Facility Association policyholders."

I know of no other way you can guarantee absolute rock-bottom prices. If a penny is made it must be sent back.

Mr. Germa: The letter as read by the minister says we expect you to do this. What proof does the minister have that this is the principle by which the Facility Association will be governed?

Hon. Mr. Drea: Mr. Chairman, it is very simple: otherwise we don't approve their rates.

Mr. Germa: Mr. Chairman, what we are being asked to approve in this legislation is the plan of operation. How can we approve the plan of operation unless we have that document in our hands? The plan of operation is the backbone of how the Facility Association is going to function. One miserable letter, written by the minister to the general manager, does not constitute a plan of operation. The plan of operation is a 25-page document. Here we are approving in principle—we have gone further than that now, we are approving in fact the plan of operation which we have not seen. We are giving carte blanche permission to the Facility Association to go ahead without our scrutiny.

Can the minister alleviate my concern as to how much power we are granting to this organization known as the Facility Association?

Hon. Mr. Drea: Section 10(2) of the bill says: "Prior to the 31st day of December, 1979, the superintendent"—who is sitting in front of me—"may, by order,

(a) prescribe the articles of association and bylaws of the association where the articles of association and bylaws are not filed in accordance with subsection 1; or

"(b) amend the articles of association or bylaws of the association filed under subsection 1 where he believes on reasonable and probable grounds that such amendment is necessary for the carrying out of the intent and purposes of the association and this act."

You have got it there.

Mr. McClellan: No, you haven't

Hon. Mr. Drea: Then vote against it. I'm not going to go through this three or four times. You won't even listen.

Mr. McClellan: What kind of nonsense is that?

Mr. M. N. Davison: The minister quoted to my colleague from Sudbury a letter he had written to somebody?

Hon. Mr. Drea: This is the fifth time. I was trying to help out the member for Sudbury. Believe me, it is the last time tonight I will volunteer anything. The particular document the member for Sudbury was reading from is a document that has not yet been approved by the superintendent. That's all, we have that document.

The letter that was written is in response to that document. The letter is dated November 26, 1979 and is to Mr. John M. Mathews, general manager, Facility Association. It talks about Ontario rate filing and what it does. On page two it says: "The following requirements apply to the manual of rules:

"(1) Effective December 1, 1979, private passenger rule 25, driver record 5, provision A coverage should be deleted.

"(2) It is expected by February 1, 1980 at the latest that a driver's record forgiveness rule be submitted for approval to prevent drivers who have established five-year, claim-free records being immediately moved to driver record 0 on their first claim in a number of years.

"(3) It is expected that by February 1, 1980 at the latest an appropriate multi-vehicle discount rate will be submitted for approval.

"(4) It is expected that the wording of general rule 5, additional charges, shall be modified to ensure the dollar amount surcharge for all perils coverage does not exceed the dollar amount surcharge for collision coverage.

"(5) We expect the Facility Association rate basis will not generate a profit on the Facility Association portfolio of business. However, as provision against the unlikely event that a profit emerges, it is expected that the Facility Association will submit a suitable scheme for refunding such profits to the Facility Association policyholders."

What I am trying to say is, notwithstanding what is in there about refunding to the insurance companies, that will not be approved and that will not be the procedure. In order to have their rate filing approved, as they must, particularly in conformity with section 10 of this act, they must be in a position that if they are making any profit on it to propose a plan of refunds to the individual policyholders.

Mr. M. N. Davison: I would like to thank the minister for answering my question. As I extracted the information from his last comment, the quotation he had provided, which he called number five, in response to the document the member for Sudbury was referring to, is a letter from the minister. Is that right?

Hon. Mr. Drea: From the director of insurance services.

Mr. M. N. Davison: From the director of insurance services to the general manager of something called the Facility Association dated November 26, 1979. Is that correct?

Hon. Mr. Drea: Yes.

[9:15]

Mr. M. N. Davison: I have a substantive question which goes back to the question raised by the member for Sudbury, but I would like to ask the minister first how it is there is in existence something called the Facility Association when this Legislature has not passed the bill. It's in section 7(1) of the very bill we are talking about now: "There is hereby established an unincorporated association of insurers to be known as the Facility Association." Did somebody already have the name before the minister got to it or what?

Hon. Mr. Drea: Mr. Chairman, the Facility Association cannot be formally established until this legislation is passed. In order to prepare for it, so they won't start up business in the morning from scratch, they have been working on it for some time. Another reason is that they have to operate under some message of intent from us, otherwise there would be some difficulty setting rates and so forth in combination with the Combines Act.

Mr. Charlton: This is absolutely disgraceful. The minister has had almost two years since his promise to bring this legislation in; but he didn't; he dragged his feet. Now he has got the association working away; they have their own little general manager and the Legislature hasn't even passed the legistion. He doesn't know, I suppose, in what condition the legislation will emerge from committee of the whole House. As a matter of fact if my amendment earlier in the evening had carried it would have emerged in a quite different way.

I think it is very arrogant of the minister to go ahead and set up this organization, before the bill has passed committee stage. He has a Facility Association which hasn't yet been established and it has a general manager. The minister is engaged in writing back and forth with this alleged organization over the past number of days. That's arrogance for you.

Mr. McClellan: I remain mystified by the minister's assurance that his letter to the association constitutes a guarantee of non-profit operation. It doesn't. All it constitutes is the particular understanding of this particular minister at this particular time. It

has no assurance with respect to what happens in the future if this minister changes his mind or if the government changes the minister.

The business about section 10 doesn't solve the problem either. I would suggest an easy way out; that is to put the principle expressed in the letter into section 7 by way of amendment. What is so difficult about that? I don't want to try to draft an amendment, I haven't been working along on this bill; but I would guess the minister or his staff could draw an amendment to cover the points set out in his letter relatively quickly. We could stand this section down for a few minutes and let the minister draft something we could have a look at. But let's not kid ourselves; we're not going to take the assurance of any individual just because he writes a letter to somebody, or because there is general discretion within another section to give the official power to set conditions that the conditions are going to be set. That's silly, that's irresponsible legislation.

So let's put it into the bill. Let's put it clearly in the bill that, for example, there is hereby established an unincorporated nonprofit association of insurers to be known as the Facility Association. There would need to be, I assume, another subsection dealing with the dispersal of any accrued profits. That's what I don't know how to draft, but I am sure the minister does. Why doesn't he do it?

Hon. Mr. Drea: It's redundant.

Mr. McClellan: It's not redunndant. It certainly is not redundant, because there is no provision in the bill.

Hon. Mr. Drea: It is redundant.

Mr. Chairman: Order.

Hon. Mr. Drea: The member asked me a question.

Mr. McClellan: I think I still have the floor.

Mr. Chairman: Order. The member for Bellwoods has the floor.

Mr. McClellan: I asked the question and all the minister said was that it's redundant. I say I look in the bill and I don't see it in the bill. I want to see it in the bill.

Hon. Mr. Drea: Mr. Chairman, the minister does not set the rate, the superintendent of insurance does; therefore, it doesn't matter what minister is here, the superintendent of insurance does it.

Mr. Germa: Mr. Chairman, this is about the silliest thing I have ever engaged in. The superintendent is going to guarantee this is a nonprofit corporation. How is he going to do that if it's not in the legislation? The minister agrees it's not in the legislation; it's in a letter of intent but the letter of intent does not constitute legislation. That's the simple argument or the simple objection we have.

It's even worse than that. What we are asked to do is adopt a document known as the plan of operation, which by the minister's own words is not even written yet. He says the text I have is not approved, so this is not written. We are asked to adopt this document which hasn't even been written. How can that make sense?

The minister has the cart before the horse, obviously. What should happpen here is that document—the plan of operation—should be placed in front of us or appended to the bill, and we would know what we're talking about, because there are other things in this plan of operation to which I object as well. We're going to be in trouble all the way through the bill unless we get that basic principle answered.

Mr. M. N. Davison: Mr. Chairman, I would place a bit more, not a lot more, credibility in the guarantees of the minister, viewing the way things can happen around here, if this was the only statement the minister had ever made. This response of November 26 is from the superintendent of insurance to the chairman of the nonexistent Facility Association, but in fact in that month that's the second interpretation put on the process of the Facility Association by either the superintendent or by the minister.

On November 2, 1979, the minister stood in the assembly and put it in a much different way to members of the assembly than the superintendent of insurance has put it to the nonexistent Facility Association. The minister's phrase, "Rates created by the association will be subject to approval by the superintendent of insurance to confirm that they are properly calculated and ensure that high-risk drivers are treated as fairly as possible." That's a good deal different from phrases like "at the lowest possible cost," "no profit" or "if there's profit it will have to be turned back."

There are at least two different interpretations, one by the minister on November 2 as to what the Facility Association was and how it would work, and another interpretation by the superintendent on November 26. I don't know which of them is the real policy, and I don't know if there's a third or

fourth possible policy that has been kicked about in the past month, or in the past year and a half or two years.

I think the suggestion of my colleague from Bellwoods is very good one. If the minister is firm in the position he has taken, that this company should operate as a nonprofit company, that this company should return any surplus or any profit back to those drivers, he should put it up front in the legislation.

Mr. McClellan: I am quite prepared to move the amendment at the suggestion of the minister.

Mr. Chairman: Mr. McClellan moves that section 7(1) be amended by adding after the word "unincorporated" in the first line the word "nonprofit."

Mr. McClellan: It seems self-evident that this will put in the statute what the minister seems to want.

Mr. Chairman: Shall the motion carry?

Motion agreed to.

Mr. Germa: Still on section 7, Mr. Chairman, in order to ensure that the Facility Association is a nonprofit operation, to ensure that the lowest possible automobile insurance rates are given to the people, the board of directors must include somebody other than those in the insurance industry.

Does the minister have any correspondence which changes the method by which the directors are appointed, as indicated in this document known as the Facility Association plan of operation? I will read to the minister how they plan to set this up. He can tell me this is not yet approved, but I have no other document to work with other than this one.

"The board shall be composed of 10 directors who shall constitute a representative and equitably balanced cross-section of the automobile insurance industry. To be eligible to be elected or appointed as a director, a person must be a senior official of a member."

If the minister wants a full cross-section of the automobile insurance industry on the board, he has to have the consumer represented or he has left out the biggest part of the industry. The consumer contributes the $800 million a year plus in premiums to the insurance pool of Ontario, and if the whole automobile insurance industry is going to be represented on the Facility Association the minister must include someone who bought a policy and is not connected with the insurance industry; otherwise, this doesn't stand.

Can the minister explain how this board of directors is representative and will guarantee that this organization is operated at the lowest possible price, to give the lowest possible rate to those people forced into the Facility by his dictating? This is dictatorship, and when you dictate to people, you have to be a little careful and give the semblance, anway, that they have some participation in this dictatorship.

Hon. Mr. Drea: Mr. Chairman, I think the member would be well satisfied if he read section 11 of the act. It provides that a report by the directors must be given to the superintendent along with all information, et cetera, so that it can be verified and checked and reported.

There is an amendment coming up which may save a bit of time. I really have no terrible objection to it, but it is redundant because the superintendent of insurance gives an annual report, through me, to the Legislature. The superintendent of insurance, in regard to Facility Association, will be making a special annual report in his report, which will be tabled by the minister in the Legislature.

Mr. Martel: Drawing the entire board of directors from the industry is like putting Dracula in charge of the blood bank.

It might be an old line, but if I were a consumer and I wanted protection, I would want to be assured that there would be representation from the general public on that board. I might think the superintendent of insurance is a lovely fellow, but I have had differences of opinion with the superintendent of insurance in the past and I suppose I will have some in the future; I would like someone who is, let's say, more neutral.

[9:30]

I would feel more comfortable if that board were made up half of consumers at large, maybe from a consumer agency to represent my interest on this board. I'm from Missouri. I guess I'm a doubting Thomas. Twelve years in this place have convinced me if I want some form of protection, I should have someone on that board who has the same interests at heart I have.

The minister well knows that in various other boards and commissions we usually attempt to have the consumer represented. If you're talking about the self-governing professions, we always take pride in the fact that a number of people on those boards are from the general public. I don't see why we would not want the same thing here just to give everyone a little more comfortable feeling.

Maybe some of you people over there are totally convinced they will do it all properly. But as a member of a profession, I have found we as teachers on occasions tend to be over-protective. I suppose in the legal and other professions it is somewhat the same. I know in the medical profession that happens. To balance it, we take a few people from the outfield area, if I might use that term, of the association or the profession. Justice doesn't just have to be served, it has to appear to be served.

With the greatest of respect, I would think the minister should insist that a half, or if that's a little too strong for his taste, maybe a third of that board should come from the public. As I say, someone from the various agencies voluntarily involved in consumer protection might serve on that board. The minister should give that some thought before he rules out of hand.

As I say, while it will go to the superintendent of insurance, there are those of us, at least speaking for this member, who have differed on occasion with the superintendent of insurance. To give it a really fair chance, I would urge the minister to accept the suggestion. He might want to put the number in himself, but I would urge that the minister himself ensure there are people from outside the industry on that board.

Mr. Renwick: I'm not certain I understand the operation of section 7(4) in so far as it relates to section 5(b). What is the distinguishing factor that determines whether or not an application is an application under the plan? Subsection 4 states: "The association shall ensure, through its members, that a contract of automobile insurance is provided with respect to every application for automobile insurance submitted under the plan to an insurer under clause (b) of section 5."

What is the distinction and on what basis does an application become an application under the plan as distinct from any other kind of an application? I take it there are basically two classes of application: one under the plan and one not under the plan. What determines when an application becomes an application under the plan?

Hon. Mr. Drea: When someone comes in to purchase insurance, the agent or the direct writer, the agent particularly, attempts to place it with one of his companies. If he cannot place the risk he puts it into the plan. Does that answer the member's question?

Mr. Renwick: I take it then that the basis by which an application becomes an application under the plan is that it has been refused by an insurer; would that be a correct statement?

Hon. Mr. Drea: It may not necessarily be refused by the company; it may be on the basis of convictions or the very high risk it represents to the companies the agent is writing for that he might proceed through the plan.

Am I answering the point you have raised?

Mr. Renwick: I think we're talking about the same question. As another way to approach this, is the person whose application has become an application under the plan advised at any time that his application is now under the plan and that he is subject to the rules of the association?

Hon. Mr. Drea: Yes.

Mr. Renwick: Is he given a reason it is under the plan?

Hon. Mr. Drea: I don't know that he is automatically given a reason. If he were to ask, it would certainly be on the basis of his convictions, his at-fault accident record and so on. It might very well be the person would say, "That's not correct, it's not me."

Mr. Renwick: Is there going to be a uniform basis by which the various insurers make the decision they are not going to accept that application?

Hon. Mr. Drea: No. It's very difficult. It would depend on the area of the province. It would depend on the particular agent. An agent might say to the applicant, "I have to place your insurance through the Facility." Certainly that particular driver has every opportunity, if the competition exists in his area, to go to a direct seller or to another agent where he may get insurance outside the plan.

In some of the more remote areas of the province where there might be only one agent, the reason would be handed down that way. We want to make the process as uniform as possible, but we still have to recognize some of the exceptions that may arise, depending on where one is in the province, or on the applicant's driving record, which could also be significant.

Mr. Renwick: I am aware of the basis on which people are rated higher for insurance purposes. What I am concerned about is does the person who is refused insurance in the ordinary market, for whatever reason and regardless of how many companies he has gone to, have in writing the reasons he has been refused? Does he have any appeal against going through the plan, since he knows that under the plan he is going to have to pay more than if he was insured in the general market?

Hon. Mr. Drea: I don't know how many written replies the applicant could get, but

if he is not satisfied he can come directly to the superintendent of insurance as is done now. If a person feels his rate is wrong, he has that opportunity now. We get a great number of such cases through the superintendent of insurance and they are adjudicated fairly.

With regard to a uniform process, the member knows it does not necessarily involve just the number of accidents. The high rate could result from one spectacular accident and the causes for it. If one were to consider three convictions, they could be three very minor convictions rather than more serious ones, such as for impaired driving, which being under the Criminal Code would almost automatically get one into the Facility Association. This uniformity, at least as I understood the member, is somewhat difficult to achieve.

But on the practical end of it, somebody, because of a subjective judgement, may be paying a higher rate than they should. Where do they go? The obvious answer is right to the superintendent of insurance for an adjudication or a review of the matter, just as is happpening now.

Mr. Renwick: That's not in any statute. That's the minister's version of consumer protection of some sort; that you can come to the superintendent and ask that it be done, ask him to use his good offices, is that what it amounts to?

Hon. Mr. Drea: Not necessarily. The present system has worked well for a goodly number of years. I haven't received complaints from members that people haven't been able to get a remedy when they have difficulties. I think it has worked well. I think it's a very effective form of consumer protection.

Mr. Renwick: Does the insurance policy a person ultimately gets on an application under the plan indicate that he's under the plan?

Hon. Mr. Drea: No. It could be written by any insurer. There's no such thing as a Facility Association policy. If you're asking whether we're going to have an insurance policy that says Facility Association, the answer is no.

Mr. Renwick: It's not going to have a special stamp on it or anything to indicate that he's different frrom his fellow citizens?

Hon. Mr. Drea: No. It's just a pooling arrangement to make sure there is equity for the policyholders who get their insurance outside of the plan.

Obviously if it's a relatively small company they might have to raise their rates to cover a significant number of high risks. It's just a pooling arrangement and there shouldn't be any stamp or anything else on it. It might very well be that at times in our careers, the honourable member and I might be very high-risk drivers and at other times very low risk. There shouldn't be that type of thing on it.

Mr. Renwick: I'm not sure when you use the term "agent" in section 5 and again in section 7(4) how that relates to the direct writers. I take it the direct writers, being insurers authorized to carry on business in Ontario, are by this statute bound to be members of the association?

Hon. Mr. Drea: They are licence agents within the meaning of the act.

Mr. Renwick: But they write insurance directly and not through agents?

Hon. Mr. Drea: For licence purposes, notwithstanding they are not agents, they still get an agent's licence, even though they are in direct selling. In here, you could have agent as the independent agent or a member of the Registered Insurance Brokers of Ontario, as we understand it, or the direct seller; under the Insurance Act they are both agents.

Mr. Renwick: So the term "agent" is an all-inclusive term, whether or not they are writing for direct writers or not?

Hon. Mr. Drea: Yes.

Mr. Germa: I'm still concerned about the control of the Facility Association. I did bring to the minister's attention the appointment to the board of directors. The minister seems to feel that as long as they are executives or senior officers of an insurance company they are going to look after the welfare of the consumer. I don't agree with him on that, and I guess we're not likely to change his mind, but let the record show this in no way satisfies the consumer out there when he's forced into this association.

The association, according to this plan of operation, shall call a meeting on a yearly basis. The voting rights within the association are not controlled by people in the usual democratic sense of one person, one vote. We are elected to this Legislature on the basic principle of one man, one vote. But for voting purposes within the Facility Association, according to this plan of operation, which we in theory have not seen or approved, if an insurer of the Facility Association writes in excess of $46,500,001 in premiums he will have five votes at the

annual meeting, and an insurer writing less than $4,650,000 will have only one vote.

[9:45]

What you're doing here is transferring the power to the big dog in the field. The senior insurers of the province are going to rule the Facility Association, make no mistake about it, because about five of the big operators are going to have the majority of votes. Some of these insurers are offshore insurers and may well not be voting in the best interests of the people of Ontario. There's just that slight chance these people might not be acting in the best interests of the consumers of Ontario.

I have an objection not only to the way the board of directors is appointed, it's non-representative of the consumer, but the voting rights at the annual meeting are also non-representative of the consumer.

Hon. Mr. Drea: Those who are bearing the bulk of the risks for high-risk drivers across this province really have a say.

Mr. Martel: They have what?

Hon. Mr. Drea: "Say."

Mr. M. N. Davison: Before I become totally confused and lose track of all the Facility Associations I've heard about tonight—I so far have tracked three of them. There are three. There is the Facility Association which will be established by the passage of An Act to provide for Compulsory Automobile Insurance, Part I of Bill 160, that's one. There is the Facility Association that exists, perhaps only on paper, in that document from which my colleague from Sudbury has been reading, which was tabled before the select committee on company law. Then there is a currently existing semi-clandestine operation to which the superintendent of insurance corresponded on November 26, 1979. There are three different Facility Associations.

Here's my question: Inasmuch as the Facility Association is not clearly defined in all its aspects in legislation in Bill 160, can the minister tell me what the base will be for filling in those blanks and filling in those spaces? Will it be the 1977 document from which the member for Sudbury has been quoting or will it be this operation that's already going on out there somewhere entitled the Facility Association? Which of those two?

Hon. Mr. Drea: It will be the latter, but I want to make one thing clear: The Facility Association cannot exist until after tonight. Of course, if this bill does not go through tonight it won't exist at all, properly formed and using that name. I think the member is begging the question, although I have tried to explain it as best I can.

The legislation provides for the Facility Association. There will only be one Facility Association. In order to have the Facility Association ready to go on December 1, it was being set up in various stages. It is not empowered to do anything until this legislation is passed and, subsequently, until it meets the standards set down by the superintendent of insurance.

Mr. M. N. Davison: Can I try this one last time? As of February 21, 1978, as far as the citizens of Ontario were concerned the government had no intention whatsoever, at that time or the day before, of implementing compulsory auto insurance.

Hon. Mr. Drea: What?

Mr. M. N. Davison: The first time the government committed itself to the implementation of compulsory auto insurance was February 21, 1978. I can understand how there might be some kind of "at-the-post" Facility Association, with the minister having his people all ready to go; so that at midnight of the night we finish this these people can race into high gear and get going in performing their function. I can understand that. It is also okay that the minister and his superintendent of insurance are writing to this organization.

What I don't understand is how the select committee on company law can receive a document from a Facility Association back in June 1977, which is long before the government announced any intention to bring in compulsory auto insurance. What was the Facility Association, which existed, or might have existed, or was proposed at that time?

Hon. Mr. Drea: First of all, Mr. Chairman, it wasn't operating; it had no authority.

Mr. M. N. Davison: Can you tell me the name of the general manager of the Facility Association, who is the person to whom the superintendent of insurance wrote on November 26?

Hon. Mr. Drea: It was John Mathews; I read it out to the member.

Mr. M. N. Davison: John Mathews?

Hon. Mr. Drea: Yes.

Mr. M. N. Davison: Was John Mathews not the general manager of an organization or group—

Hon. Mr. Drea: I have no idea.

Mr. M. N. Davison: —that presented a brief to the select committee on company law?

Hon. Mr. Drea: I have no idea.

Mr. M. N. Davison: The minister has no idea?

Hon. Mr. Drea: I have no idea; that's three times.

Mr. M. N. Davison: Exhibit 47 to the committee was a presentation to the select committee on company law by the Facility Association, represented by Mr. Colin Atkinson, deputy chairman, Mr. Ronald Walker, and Mr. John M. Mathews, general manager. So, in fact, this Facility Association, which is going to swing into action at the moment we pass this legislation, is an organization that I take it has existed for at least two and a half years; is that correct? They were working on this long before it was introduced in the House.

The same group of people have been the Facility Association. It really didn't occur to the government that there might have been some adjustment in all that time, but this happy little group has been working all the way through, and it is a fait accompli. Obviously there is good reason to believe that whatever is included in this green paper and in that exhibit 47 will be what the Facility Association is.

Mr. Germa: Mr. Chairman, it is unfortunate that we have to debate the plan of operation, and none of us in the House has a copy of the document approved by the minister. We have the cart before the horse; we are approving the plan without officially having seen the document.

Is the minister satisfied with the agency commission as proposed in the Facility Association plan of operation?

Hon. Mr. Drea: Yes.

Mr. Germa: He approves that forcibly, by dictate, the consumers of Ontario are going to have to pay an insurance agent 10 per cent of premium? Is that what the minister is saying?

Hon. Mr. Drea: Yes. It's less than the agent would get if he was booking it outside of the plan.

Mr. Germa: There is a difference, Mr. Chairman, in that a private agent out seeking business has certain expenses imposed upon him in seeking business. He might have to drive two blocks, two miles or 10 miles to seek the business. But in this case the consumer is dragged into his office, kicking and screaming to buy an insurance policy. There is no expense placed upon the agent. That is where the minister fails to understand the 10 per cent in my mind is in excess. When I, by compulsion, must come in and beg to do business with this agent, why should he be allowed to rip off 10 per cent of premium?

Some of the premiums on these policies are going to be pretty high, Mr. Minister. I think 10 per cent is a little in excess of what we should expect.

Mr. M. N. Davison: On exactly that point, Mr. Chairman, that sheds rather interesting light on the debate we had a bit earlier about the difference between the statement in the November 26 letter, the immediate response that was made to the member for Sudbury when he used the term "at the lowest possible cost" and the minister's original statement.

What becomes quite clear now is that anybody involved in the process can rake off a profit, can rake off percentages like 10 per cent when they are doing very little work in this field, as long as at the end the Facility doesn't show a profit or the Facility doesn't make money on the deal. It is quite possible for everybody else involved to make as much as they can, perhaps even more if some other plan of operation is approved than the one that was issued in 1977. It means those people in the highest category categorically will not get their insurance at the lowest possible cost. I think the minister should admit that.

Mr. Germa: Mr. Chairman, could I ask the minister what input the government of Ontario has in determining who the servicing carriers will be under the Facility Association?

Hon. Mr. Drea: I am sorry, I didn't hear the last part of that question.

Mr. Germa: I will repeat my question. Can the minister advise us what influence the government of Ontario will have in the appointment of the servicing carriers under the Facility Association?

Hon. Mr. Drea: The carriers are the ones who came in and were willing to do it at the time, and we approved them.

Mr. Germa: Once again, Mr. Chairman, different carriers service their policies in different manners. Some insurance companies have a good reputation as far as service is concerned. Each insurer operates in a different fashion. Some of them have a good record of servicing their clients; other insurers have a horrible record of sevicing their clients.

We know one insurer that gives good rates in Ontario but gives horrible service. They will do everything but pay a claim. That is why they can give good rates. They are famous for not paying claims. Are you say-

ing to this House that you are going to have no control over who the servicing carrier is?

Hon. Mr. Drea: The service will be there. If a person says someone is famous for not paying claims, I wish he would tell the superintendent of insurance about it.

Mr. Germa: We have seen the statistics and the superintendent has seen the statistics, Mr. Minister. Maybe the minister should interest himself in the figures of claims payouts by various insurers in Ontario and then maybe he will take my question a little more seriously than he seems to have taken it. I am serious about this.

Hon. Mr. Drea: So am I.

Mr. Germa: There are some insurers that should not be the servicing carriers.

Hon. Mr. Drea: Name them.

Mr. M. N. Davison: I will give you one. If the minister would like the name of an insurance company that I wouldn't like to see handling any insurance in this province, period, if I could do anything about it, I'll give him the name of Allstate, a company that ripped off consumers to the tune of $15 million in one year until they were obliged by the AIB to return that money to the consumers of Ontario.

There are a number of insurance companies operating in Ontario that during the life of the Anti-Inflation Board were obliged to pay back money they had ripped off from their consumers. Many of those same companies then found very inventive ways by which they could end up not paying or try to get out of paying that money back to the consumers of Ontario.

Maybe when the minister looks for bad guys in the insurance industry, ones we should be looking at very carefully, he might go through the AIB records to see which of those insurance companies were wearing white hats and which were wearing black hats.

Section 7, as amended, agreed to.

On section 8:

Mr. Breithaupt: My only concern is with respect to subsection 3, concerning the service of documents on the directors or officers of the association.

I understand of course that there will be 10 directors and possibly there would be three or four persons who would be classified as officers of the association. This kind of service is not quite what I had hoped for. I would have thought that the service would be more properly done at a known address even if it was initially through the office of the superintendent of insurance.

It could be, obviously, that we can't know a street address at this point because the operation may not be in any permanent headquarters. We might know the particular officers who might be served. But I would have felt that there was some opportunity perhaps to use the office of the superintendent as the information point for which the names of the directors or particular procedure might be followed.

I just thought that service in this way, on any one of possibly 15 people or whatever, just didn't seem to me to be very thorough or practical. There may be reasons in law why this particular approach is being followed. There may be the hope that anyone who is served is very quickly going to get on with finding out what is to be done about the documents that have been served upon him or upon her.

I just was wondering whether the minister could comment on this approach—why it has been taken in this way. It may be quite satisfactory, but I just raise the questions because I had them on my mind, Mr. Chairman.

Hon. Mr. Drea: I am advised by the legislative counsel that the approach is a very standard one and is the best we could arrange.

Mr. Deputy Chairman: Mr. Germa moves that section 8 be amended by added thereto the following subsection 1a:

"At least three of the directors of the association shall be public-interest directors appointed by the Lieutenant Governor in Council from among the Canadian citizens resident in the province who are not associated with any insurer."

Mr. Germa: The obvious intention of moving that amendment is to ensure that the consumers of Ontario have representation on the Facility Association to guarantee it will deliver insurance at the lowest possible rates and at the least possible expense. Only in this way can we ensure the principle the minister has enunciated in his letter, that it shall be a nonprofit corporation—that is, to have someone there to ensure that some charges are not passed on which would preclude the rate from being the lowest possible delivered on the policy.

The principle is quite consistent with representation on various other boards and commissions. In fact, the Facility Association could very well be a public service board in that it is set up to take on all comers and, theoretically, to service the people of Ontario. The people of Ontario have no choice in the matter other than to participate in this association.

There are many reasons why the minister should reconsider his originally stated position and ensure that the consumers of Ontario have representation on this board. After all, the minister carrying this legislation through the House is entitled "the Minister of Consumer and Commercial Relations." He sometimes forgets the consumer part of his portfolio. This is one time when he can take that job seriously.

I know in his heart of hearts he has the consumers' best interest. I am sure in the dark of night when he is alone he often wonders how better can he serve the consumers of Ontario and how better can he protect those consumers out there. Then when the light of dawn comes and he has to face the cabinet he is in—and we know he is a lone wolf in that cabinet—all of these thoughts he had in the middle of the night are gone by the wayside.

Here we are. There are very few of that cabinet in the House and the minister could quite easily sneak this amendment through without the rest of the cabinet knowing it. Then when they wake up in the morning, they will find out he has truly protected the consumers of Ontario.

Hon. Mr. Drea: I am not going to accept that amendment. It's a grandstand play by the member. In his heart of hearts he knows what he is doing tonight. He just wants to stall the bill. In the dark of night when he is alone, which is a little bit more often than I am, I don't know what he does, but when the dawn comes he has to carry on with these charades in the House. Therefore, the amendment is not acceptable.

Mr. M. N. Davison: I think the reason my colleague from Sudbury has run into conflict here is that he has been overly generous in the compromise. If I had been moving that amendment, I would have asked for a majority of those people to be consumer, public interest, representative people; certainly half, five at worst.

I find it really quite unbelievable the Minister of Consumer and Commercial Relations won't put just three, 30 per cent of the people, on the board. I wouldn't be surprised if the member for Sudbury could be further compromised into proposing even two, but I think it should certainly be five. The minister has an obligation to make sure there is consumer representation.

The more and more I hear about the Facility Association, I wonder if the reason that amendment from the member for Sudbury was rejected may not be, seeing that this little Facility Association is already existing and operating and has its own fancy little stationery and general manager, that it already has 10 directors. Maybe already you've picked out the 10 directors and they are operating on the Facility Association and you would have to fire three of these people to get some consumer, public interest representation on the Facility. That wouldn't surprise me in the least.

I think it is a good amendment, and I would hope the members of the Liberal caucus would take a look at it and ignore the minister's blithe charges about grandstanding by the member for Sudbury. It is a good amendment; there should be some consumer representation on the Facility Association.

Mr. Renwick: You forgot to tell us how how the directors will be appointed to the board of the Facility Association. If he will not have any public interest directors on there, could he tell us how the members will be selected? Obviously, they will be from the private interests.

Hon. Mr. Drea: To be eligible or to be elected or appointed as a director, a person must be a senior official of a member. To provide representation for each jurisdiction, at least one of the directors shall be a senior official member actively engaged in the business of automobile insurance. In a jurisdiction, not more than five directors may be senior officials of servicing carriers for the association.

Mr. M. N. Davison: Could the minister inform me who are the directors of the currently existing semi-official clandestine Facility Association? Are they people who meet the requirements of the legislation the minister has before us? Who are those people? Are those the people who will simply be put into these positions with the official third version of the Facility Association?

Hon. Mr. Drea: Mr. Chairman, I will send them by note to the member when I get them. I don't have them here. I will send them by note to you.

You are not going to finish this tonight. You are just fooling around.

Mr. M. N. Davison: We are trying to get some consumer input into this association.

I would suggest that rather than voting on this particular section before we find out who these 10 people are, if they indeed exist, who are already operating on this current association, that we stand this down until we can get the names of these 10 people and see exactly in whose interest they are operating. I don't think it would be appropriate to proceed with the vote on my col-

league's amendment until we have that information.

Mr. Deputy Chairman: All those in favour of Mr. Germa's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Deputy Chairman: We agreed that vote will be deferred, but in view of the fact it is now 10:15 p.m. and we agreed to take votes on the other bill, I think the committee should return to the other bill for those votes. This vote will not be taken tonight, is that right? Do you wish this one taken? Do you want this one taken tonight?

Som hon. members: Yes.

Mr. Deputy Chairman: All right. We have to call in the members for two deferred votes on Bill 165 and one on proposed amendment to section 8 of Bill 160.

The committee divided on Mr. Charlton's amendment to section 167 of the Corporations Tax Act, as set out in section 1 of Bill 165, which was negatived on the following vote:

Ayes 20; nays 64.

The committee divided on Mr. Charlton's further amendment to section 167 of the act, as set out in section 1 of Bill 165, which was negatived on the same vote.

Section 1, as amended, agreed to.

Bill 165, as amended, reported.

The committee divided on Mr. Germa's amendment to section 8 of Bill 160, which was negatived on the same vote.

On motion by Mr. Wells the committee of the whole House reported two bills with amendments and progress on another.

ANSWER TO QUESTION ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, may I at this time table the answer to question 354 standing on the Notice Paper. (See appendix, page 4932.)

[10:30]

Mr. Speaker: Pursuant to standing order 28, the member for Wentworth has expressed his dissatisfaction with an answer given earlier. We will listen to him very attentively for the next five minutes.

Interjections.

Mr. Speaker: Order. I will stop the clock for those who are not interested to make an orderly and quiet departure. I want to remind members the House is still in session.

TELEPHONE CHARGES

Mr. Isaacs: I appreciate your stopping the clock, Mr. Speaker.

Last Friday I asked the minister whether he would provide financial assistance to those who wished to intervene before the Ontario Telephone Service Commission in opposition to proposed general rate increases of the so-called independent telephone companies. I mentioned specifically the current application from the Community Telephone Company. I drew his attention to the fact that the federal government has provided funds to interveners before the CRTC in Bell Canada hearings. The minister's response to my request was no.

I regard the minister's response as a clear case of the Ontario government's treating customers of the so-called independent telephone companies as second-class citizens. Not only has the federal government provided taxpayers' money to assist interveners before the CRTC, but the Ontario government has itself intervened before the CRTC in opposition to Bell Canada. In fact, the minister was boasting about that during question period earlier today. That effort has also been made possible by money provided by all Ontario taxpayers.

The so-called independent telephone companies provide 178,000 telephone numbers to taxpayers of this province, yet those taxpayers receive absolutely no assistance in their fight with the telephone company. Indeed, they contribute to the cost of the fight with Bell Canada for which they obtain no benefit at all. The government is not giving these taxpayers fair treatment.

Taxpayers who are served by the Community Telephone Company come from exchanges as widespread as Adolphustown, Caledonia and Nairn, to name just three of the 21 telephone exchanges, which carry a total of 22,000 telephone numbers.

I want to give just one example, that of Mr. and Mrs. Gillis of Mount Hope, who receive multi-party-line service, and somewhat unsatisfactory service at that, from the Community Telephone Company's Caledonia exchange. The present basic monthly rate for Mr. and Mrs. Gillis's telephone service is $16.50. The proposed rate increase would lead to a basic monthly telephone rate of $29.60 for telephone service for these people.

Community Telephone Company is not your friendly local telephone company with the president living just down the street. It is, in fact, a branch operation of a huge multinational corporation that is attempting from its American headquarters with its high-

priced lawyers and other financial experts to rip off 22,000 telephone customers in this province. How are the telephone customers going to fight that without some help?

How does the minister reconcile his appearing before the CRTC against Bell Canada with his refusal to help these people before the OTSC? Surely CRTC and OTSC are similar regulatory bodies, and the people need equivalent help. Will the minister at the very least provide one member of his staff for a few days to work with these people to help them fight the telephone company? That seems to me to be a very elementary and straightforward request, and I do not understand the minister's refusal to assist.

Hon. Mr. Snow: Mr. Speaker, I am very well aware of the application before the Ontario Telephone Service Commission at this time for a very substantial rate increase, perhaps the highest rate increase application I have heard of for any utility. There may have been higher ones but I am not aware of one. I know this has the 22,000 subscribers in the 21 or so exchanges very concerned and I can understand that.

The question basically was regarding the funding of interveners in such cases. It has not been the policy in the past of my ministry, or of the government, to fund interveners in such a case. I think there is quite a difference to be drawn between intervening in a case for a Bell Canada rate increase to the CRTC, and to an application by one of the local telephone companies to the Ontario Telephone Service Commission.

We have about 35 or 36 private telephone companies in Ontario, either privately owned or municipally owned, that generally offer an excellent service to the citizens of the community. Sometimes we do hear from subscribers that they wish they were part of the Bell system, but the province has no way of telling a private telephone company it must sell out to Bell or telling Bell it must buy that company. Certainly in most cases I don't believe the subscribers would want that to happen.

The policy of the Ontario Telephone Service Commission and the holding of its hearings are on a much more informal basis than the CRTC. I agree with the honourable member that my ministry, on behalf of the people of Ontario, does appear before the federal regulatory body. This is not necessarily to give blanket opposition to a rate application but to ask pertinent questions, to make sure the rate that is granted is based on the proper information, and that all the questions are drawn out in the hearing.

The hearing will not be held in Ottawa, as a CRTC hearing is. It will be held in the local community. I believe this company applied for a rate increase last year. Hearings are usually located by the chairman in the areas where there has been substantial complaint or opposition or interest shown by the subscribers. As I recall this, last time hearings were held in the village of Erin or Hillsburgh and down in the Newcastle/Orono area. This company has a number of exchanges in the eastern Ontario area. It has some at Orono, it has the exchange up at Hillsburgh and it has a number down in the Haldimand - Norfolk, Hamilton - Wentworth area.

I cannot say tonight where the hearings will be held. The chairman of the commission, Mrs. Bielski, will set the dates and times and places for those hearings when the time for the submission of input to this application has expired. The normal practice, and I would expect it would be adhered to, is that there will be local hearings in those areas, so that it will be easy for the people involved or their representatives to make their submission to the commission.

I am sure the honourable member is well aware that I as the minister cannot interfere in or really comment on the merits of an application for a rate increase while it is being considered by an independent regulatory body, such as the OTSC. Ministry officials have been contacted by the subscriber groups and have attempted to provide information without offering any opinions in the case.

Mr. Speaker, I assure you there will be a full and fair hearing of this rate application and it will be dealt with appropriately.

Mr. Speaker: The member for Bellwoods, for up to five minutes.

DEATH OF FOSTER CHILD

Mr. McClellan: I note with some concern that the Minister of Community and Social Services (Mr. Norton), who was here for the vote at 10:30, is not here now. Perhaps if he is within range of my voice he would do us the courtesy of returning to the debate.

Mr. Speaker, on January 12, 1979, Shawn Lee Mandamin, a ward of the Kenora Children's Aid Society, died in Winnipeg of injuries sustained at the hands of the foster father with whom he had been placed by the Kenora Children's Aid Society. Shawn was 16 months old at the time of his death. He was a member of the Whitedog Indian band at Shoal Lake and had been removed from his natural mother and placed with a family headed by a Mr. Joseph Jolicouer in Septem-

ber 1978. On November 9 Mr. Jolicouer was found guilty of manslaughter in the death of Shawn Lee Mandamin.

I raised this question this afternoon in the House for two purposes. First, I want an explanation. Baldly put, Mr. Speaker, what has happened in this province is that a child has been killed by child abuse in a children's aid society foster home, in what is supposed to be a place of safety. I want an explanation. I asked for an explanation this afternoon from the minister and did not receive it.

I want, by way of an explanation, a tabling of the results of the investigation the ministry has carried out. When I asked for that this afternoon the minister did not give us any assurance that these reports would be tabled. I repeat this request again tonight, that any reports available to the minister be tabled and put before this House.

Second, and I think more important, I want an independent inquiry into the state of foster care in this province and in particular the state of foster care as it is available for ethnic minorities and our native people. We are aware from ministry documents that there has been a decline over the last decade in the number of suitable foster homes available in this province.

I have talked to officials within the ministry and senior officials in charge of the ministry's foster-care program tell me that the problem in foster care is a simple one of matching the child to the most suitable home. The officials tell me the optimum ratio of available foster homes to homes actually in use ought to be three to one. In 1978 there were 4,619 foster homes in use. Ideally there should have been 12,000 foster homes available to maintain a ratio of three to one, but in fact there was something in the vicinity of only 6,500 homes available.

The ministry has allowed the foster-care program in this province to deteriorate as part of its constraints and cutbacks and I want an independent inquiry that will look at the whole question. I suggest the model of the Garber task force on child abuse, which served us well. I am not content to leave the question in-house within the ministry. I think it is far too serious for that.

When the minister answered me today he dismissed the Paquette incident. You will recall the Paquette child was placed back in her own home because of the absence of foster-care services for francophone children in the Ottawa area. She was put back in her own home where she had been tortured and abused in the past. When she was put back in her own home she was tortured and abused and killed.

The minister said that was many years ago. I remind the minister that less than a year ago the Paquette children were placed back in that same home because there was still no foster-home facilities for francophones in the Ottawa area.

The problem has not been solved. The minister does us no service by refusing to participate in this debate or by refusing to provide explanations to such urgent and distressing questions. He does us no service by refusing to appoint an independent public inquiry.

Mr. Speaker: The honourable member's time has expired.

The House adjourned at 10:45 p.m.

APPENDIX

(See page 4930.)

ANSWER TO QUESTION ON NOTICE PAPER

COMMUNITY INFORMATION CENTRES

354. Mr. Grande: Will the Minister of Culture and Recreation table the names and locations of all the community information centres in the province? Will the minister also table the amount of funds that each of these centres has received for each year 1975-1979 inclusive? [Tabled November 13, 1979.]

Hon. Mr. Baetz: The information requested is as follows:

MCR PAYEE TOTALS

Dates: April 1, 1979, to March 31, 1980 (at November 15, 1979)
Common object code: 7001 to 799
Payee total over: $100,000.00

Payee	Name	Amount
ACTI101	Action Service Contact Centre—Toronto	13,757.00
AGIN208	Agincourt Comm Services Assoc—Agincourt	4,624.50
AMHE202	Amherstburg Anderdon & Malden—Amherstburg	5,670.00
ANCA202	Ancaster Info Centre—Ancaster	2,475.00
BLOO201	Bloor-Bathurst Info Centre—Toronto	20,000.00
BROC303	Brock Information Centre—Cannington	1,725.00
COMM111	Community Information Centre—Toronto	136,983.28
COMM114	Community Info & Help Centre—Aylmer	5,625.00
COMM205	Community Information Centre—Ottawa	21,500.00
COMM207	Comm. Counc Soc Develop—SS. Marie	8,500.00
COMM208	Comm. Info Fairview—Toronto	7,000.00
COMM209	Community Info Centre—Kitchener	18,000.00
COMM210	Comm. Info Essex—Essex	5,250.00
COMM211	Community Info Centre—Haldimand-Norfolk-Simcoe	7,652.84
CONT301	Contact Centre Info Serv.—Collingwood	5,512.50
CONT302	Contact-Alliston—Alliston	2,500.00
EDUC303	Educational Info Centre—Brantford	5,250.00
GUEL140	Guelph Information—Guelph	8,141.00
HAMI104	Hamilton & Dist. Central—Hamilton	31,166.33
HELP101	Helpmate Information—Richmond Hill	7,532.00
HELP102	Vaughan Community Info Centre—Woodbridge	2,775.00
INFO101	Information Burlington—Burlington	6,389.62
INFO103	Information Kent—Chatham	5,835.00
INFO104	Information Markham—Markham	7,000.00
INFO106	Info Bureau Dufferin—Orangeville	3,945.00
INFO107	Information Orillia—Orillia	5,375.73
INFO109	Information Oxford—Woodstock	6,500.00
INFO112	Information London—London	26,352.00
INFO113	Information Oshawa—Oshawa	11,131.34
INFO114	Information Gloucester—Ottawa	2,625.00
INFO202	Information Dundas—Dundas	4,800.00
INFO203	Information Niagara—Niagara	22,230.20
INFO204	Information Sarnia-Lambton—Sarnia-Lambton	5,350.00
INFO208	Inf. Cntr. Stratford & Dist.—Stratford	3,000.00
INFO302	Information Flamborough—Waterdown	1,677.59
LOND306	London Parent Handbook Comm.—London	4,000.00
MIDL103	Midland Contact Centre—Midland	7,930.00
NEIG101	Neighbourhood Information Post—Toronto	10,520.00
NEIG201	Neighbourhood Info Centre—Toronto	17,500.00
PARK109	Parkdale Community Info Centre—Toronto	5,033.34
PETE207	Peterborough Info Centre—Peterborough	15,020.00
REXD202	Rexdale Comm. Info Directory—Rexdale	16,800.00
SESS201	South-Essex Comm. Council—Leamington	7,350.00
SHAR201	Share Information Centre—Cobourg	4,500.00
STRA112	Strathroy-Middlesex—Middlesex	4,500.00
STTH106	St. Thomas/Elgin Info Services—St. Thomas	5,260.00
TILL204	Tillsonburg & Dist. Multi-Tillsonburg	4,500.00
WIND210	Windsor-Essex Comm. Info Service—Windsor	15,000.00
WOOL202	***Woolwich Comm. Info Centre—Elmira	1,021.40
	Report Total	552,565.67

Dates: April 1, 1978, to March 31, 1979

Payee	Name	Amount
ACTI101	Action Service Contact Centre—Toronto	13,268.02
AGIN208	Agincourt Comm. Services Assoc—Toronto	691.72
AMHE202	Amherstburg Anderdon & Malden—Amherst, Anderdon	7,200.00
ANCA202	Ancaster Info Centre—Ancaster	2,500.00
ASSO224	Assoc. of Community Info Centres—	4,000.00
BLOO201	Bloor-Bathurst Info Centre—Toronto	19,000.00
BRAN217	Brant County Comm. Info Serv.—Brantford	5,000.00
COMM111	Community Information Centre—Toronto	157,689.00
COMM114	Community Info & Help Centre—Aylmer	9,436.00
COMM205	Community Information Centre—Ottawa	19,500.00
COMM207	Community Counc. Soc. Develop.—Sault Ste. Marie	8,500.00
COMM208	Community Info Fairview—Toronto	5,264.00
COMM209	Community Info Centre—Kitchener	14,800.00
COMM210	Community Info Essex—Essex	5,000.00
COMM211	Community Info Centre—Simcoe	5,914.87
DUFF102	Dufferin-Eglinton Info Centre—Toronto	15,929.00
GEOR105	Georgian Bay Dist. Contact Centre—Collingwood	7,000.00
GUEL140	Guelph Information—Guelph	7,700.00
HALDI102	Haldimand-Norfolk Info Centre—Simcoe	2,000.00
HAMI104	Hamilton & Dist. Central—Hamilton	31,578.00
HELP101	Helpmate Information—Richmond Hill	7,000.00
HELP102	Help Info & Referral Centre—Woodbridge	3,300.00
HILL205	Hillcrest Neighbourhood—Toronto	1,500.00
INFO101	Information Burlington—Burlington	5,400.00
INFO103	Information Kent—Chatham	7,780.00
INFO104	Information Markham—Markham	7,000.00
INFO106	Info Bureau Dufferin—Orangeville	3,298.00
INFO107	Information Orillia—Orillia	6,173.97
INFO109	Information Oxford—Woodstock	4,592.00
INFO112	Information London—London	23,280.00
INFO113	Information Oshawa—Oshawa	10,000.00
INFO114	Information Gloucester—Ottawa	2,500.00
INFO202	Information Dundas—Dundas	3,967.00
INFO203	Information Niagara—Niagara	14,500.00
INFO204	Info Sarnia-Lambton—Sarnia	5,343.00
INFO205	Info Agincourt—Agincourt	3,776.00
INFO206	Information Simcoe—Cannington	2,000.00
INFO208	Info Centre Stratford & District—Stratford	2,153.45
MIDL103	Midland Contact Centre—Midland	7,808.00
NEIG101	Neighbourhood Information Post—Toronto	8,000.00
NEIG201	Neighbourhood Info Centre—Toronto	15,000.00
NHAL201	North Halton Contact Centre—Georgetown	2,500.00
PARK109	Parkdale Community Info Centre—Toronto	3,750.00
PETE207	Peterborough Info Centre—Peterborough	8,052.00
REXD202	Rexdale Comm. Info Directory—Toronto	16,000.00
SESS201	South-Essex Comm. Council—Leamington	7,000.00
SHAR201	Share Information Centre—Coburg	4,500.00
STRA112	Strathroy-Middlesex—Strathroy	5,868.00
STRA218	Stratford & Dist. Info Centre—Stratford	1,596.55
STTH106	St. Thomas/Elgin Info Services—St. Thomas	6,944.00
TILL204	Tillsonburg & District Multi—Tillsonburg	3,000.00
WELL104	Welland Information Service—Welland	5,000.00
WIND210	Windsor-Essex Comm. Info Serv—Windsor	11,800.00
WOOL202	Woolwich Comm. Info Centre—Elmira	1,672.00
	Report Total	564,024.56

Dates: April 1, 1977, to March 31, 1978

Payee	Name	Amount
ACTI101	Action Service Contact Centre—Toronto	10,500.00
ANCA101	Ancaster Info Centre—Ancaster	2,065.00
ASSO110	Assoc of Comm. Info Centre	4,000.00
BLOO103	Bloor-Bathurst Info Centre—Toronto	19,000.00
BROC103	Brockville Community Helpline—Brockville	3,750.00
COMM107	Community Info Centre—Kitchener	14,800.00
COMM108	Community Info Centre Ottawa/Carleton—Ottawa	19,330.00
COMM109	Community Info Fairview	5,685.00
COMM111	Community Information Centre—Metro Toronto	101,000.00
COMM114	Community Info & Help Centre—Aylmer	8,700.00
COMM115	Community Info Services—Kingston	12,231.30
COMM116	Community Cl Social Devt.—Sault Ste. Marie	7,725.00
DOWN103	Downsview W Info Post—Toronto	2,887.50
DUFF102	Dufferin-Eglinton Info Centre—Toronto	12,032.50
DUND118	Dundas Community Dev. Council—Dundas	3,000.00
EARF103	Ear Falls Information—Ear Falls	3,487.83
ESSE104	Community Information Essex—Essex	5,000.00
ETOB103	Etobicoke Central Info Refer—Toronto	10,500.00
GEOR105	Georgian Bay District Contact Centre—Collingwood	5,420.00
GUEL108	Guelph Information—Guelph	6,191.00
HALD102	Haldimand-Norfolk Info Centre—Simcoe	8,538.83
HAMI104	Hamilton & District Central—Hamilton	27,550.00
HELP101	Helpmate Information—Richmond Hill	6,300.00
HELP102	Help Info & Referral Centre—Woodbridge	10,090.00
HILL105	Hillcrest Neighbourhood Resources—Toronto	5,000.00
INFO101	Information Burlington—Burlington	5,050.00
INFO102	Information Simcoe—Cannington	2,200.00
INFO103	Information Kent—Chatham	8,500.00
INFO104	Information Markham—Markham	5,531.00
INFO105	Information Niagara—Niagara	9,550.00
INFO106	Info Bureau Dufferin—Orangeville	2,598.08
INFO107	Information Orillia—Orillia	7,500.00
INFO108	Information Sarnia/Lambton—Sarnia	4,885.00
INFO109	Information Oxford—Oxford	4,518.00
INFO111	Information Dundas—Dundas	3,300.00
INFO112	Information London—London	34,744.00
INFO113	Information Oshawa—Oshawa	8,221.00
INFO114	Information Gloucester—Ottawa	2,000.00
INFO115	Information Scarborough—Scarborough	5,813.00
INFO117	Information Agincourt—Toronto	5,720.00
MIDL103	Midland Contact Centre—Midland	7,956.55
NEIG101	Neighbourhood Information Post—Toronto	7,920.00
NEIG102	Neighbourhood Info Centre—Toronto	14,850.00
NHAL101	North Halton Contact Centre—Georgetown	2,000.00
NYOR111	North York Info Network—North York	750.00
PARK109	Parkdale Community Info Centre—Parkdale	5,000.00
PETE106	Peterborough Info Centre—Peterborough	7,000.00
REXD101	Rexdale Community Info Directory—Rexdale	13,250.00
SESS101	South-Essex Community Council—Leamington	6,700.00
SOCI101	Social Planning Council of—Amherstburg	7,227.00
STRA112	Strathroy-Middlesex—Strathroy	2,034.00
STTH106	St. Thomas/Elgin Info Services—St. Thomas	8,200.00
SUDB105	Sudbury Regional Info Centre—Sudbury	7,242.00
WELL104	Welland Information Service—Welland	5,000.00
WIND106	Windsor/Essex City Info Service—Windsor	13,511.00
WOOL101	Woolwich Community Info Centre—Woolwich	788.00
	Report Total	533,942.59

Dates: April 1, 1976, to March 31, 1977

Payee	Name	Amount
ACTI001	Action Service Contact Centre—Toronto	10,419.33
ANCA001	Ancaster Info Centre—Ancaster	1,529.80
ASSI002	Assistance and Information—Don Mills	1,826.87
BLOO002	Bloor-Bathurst Info Centre—Toronto	19,000.00
BROC003	Brockville Comm. Helpline—Brockville	3,627.30
CENT007	Central Info Serv—Hamilton	22,135.00
COMM001	Community Information Centre—Toronto	92,000.00
COMM006	Community Information Centre—Kitchener	10,972.37
COMM009	Community Information Centre—Willowdale	3,500.00
COMM010	Community Info & Help Centre—Aylmer	9,541.01
COMM011	Community Information Services—Kingston	12,025.06
COMM012	Comm. Info Centre—Ottawa	20,358.48
DOWN005	Downsview West Info Post—Toronto	3,500.00
EARF004	Ear Falls Community—Ear Falls	2,770.00
ETOB003	Etobicoke Central Info—Toronto	13,871.00
GUEL007	Guelph Information—Guelph	5,628.00
HALD003	Haldimand-Norfolk Info Centre—Simcoe	7,279.86
HELP001	Help Info & Referral Centre—Woodbridge	10,604.33
HELP002	Helpmate Information—Richmond Hill	6,284.33
INFO003	Information Oshawa—Oshawa	7,000.00
INFO004	Information Kent—Chatham	5,790.18
INFO005	Information Oxford—Woodstock	3,598.26
INFO006	Information Simcoe—Cannington	1,600.00
INFO007	Information Markham—Markham	6,255.00
INFO008	Information Bureau-Dufferin—Orangeville	1,941.86
INFO009	Information Orillia—Orillia	6,016.01
INFO010	Information Burlington—Burlington	4,039.36
INFO011	Information Gloucester—Glouster	1,633.33
INFO012	Information Agincourt—Agincourt	5,175.07
INFO013	Information London—London	15,254.97
INFO014	Information Scarborough—Scarborough	7,333.00
INFO015	Information Niagara—Niagara	6,621.39
INFO016	Information Sarnia-Lambton—Sarnia-Lambton	4,441.00
INFO017	Information Contact—Collingwood	4,367.07
INFO018	Information Dundas—Dundas	3,000.00
LIAS001	Liaison Committee, Comm.	40,400.00
LIST003	Listening Post—Downsview	2,323.39
MIDL005	Midland Contact Centre—Midland	7,120.00
NEIG001	Neighbourhood Info Centre—Toronto	14,850.00
NEIG002	Neighbourhood Information Post—Toronto	6,052.33
NHAL001	North Halton Contact Centre—Georgetown	1,200.00
PETE006	Peterborough Info Centre—Peterborough	4,205.80
REXD001	Rexdale Comm. Info Directory—Rexdale	13,044.13
SAUL018	Sault Ste Marie Info & Ref Cen—S.S. Marie	7,722.65
SESS001	South Essex Comm. Council—Leamington	6,700.00
SOCI004	Social Planning Amherstburg—Amherstburg	6,940.00
STTH003	St. Thomas/Elgin Info Serv.—St. Thomas	7,600.00
SUDB004	Sudbury Reg. Info Centre—Sudbury	8,805.94
TILL002	Tillsonburg Area—Tillsonburg	2,933.71
WELL018	Welland Info Service—Welland	631.80
WEST010	Weston Info & Referral Centre—Weston	4,345.74
WIND003	Windsor-Essex Comm. Info Serv.—Windsor	9,564.33
WOOL002	Woolwich Community Info Centre—Woolwich	560.59
YORK002	York Information Centre—Toronto	10,831.49
	Report Total	496,771.14

GRANTS 1975-76

Amherstburg, Anderdon and Malden Community Services Committee, 198 Sandwich Street, Amherstburg	$ 4,500.00
Ancaster Information Centre, 334 Wilson Street, Ancaster	1,636.77
Community Information and Help Centre, 49 Talbot Street East, Aylmer	11,354.77
Bolton Contact Centre, Box 701, Bolton	667.00
Community Helpline, Box 487, Brockville, Ontario	5,701.82
Information Burlington, 440 Elizabeth Street, Box 103, Burlington	3,200.00
Information Simcoe, Box 131, Cannington	2,012.53
Georgian Bay Contact Centre, 125 Napier Street, Collingwood	5,580.00
Information Dundas, 10 Market Street South, Dundas	2,719.66
Ear Falls Information, Box 173, Ear Falls	6,180.00
Community Information Centre, 64 Centre Street, Elmira	559.39
Guelph Information, 161 Waterloo Avenue, Guelph	3,730.00
Hamilton and District Central Information Service, 42 James Street North, Room 609, Hamilton	21,075.43
Kenora Information and Referral Centre, 41 Matheson Street South, Kenora	7,565.00
Community Information Service, 286 Montreal Street, Kingston	12,024.40
Listening Post, Box 605, Kirkland Lake	8,000.00
Community Information Centre, 18 Queens Street North, Kitchener	9,075.80
Community Council, 4 Erie Street South, Leamington	7,600.00
Information London, 294 Dundas Street, London	12,524.00
Lifeline Lindsay, 111 Adelaide Street North, Lindsay	1,416.08
Information Markham, 199 Main Street North, Markham, Ontario	6,300.00
Contact, Box 423, Midland	10,138.85
Information Niagara, 5017 Victoria Avenue, Niagara Falls	4,200.00
Information Bureau Dufferin, 70 First Street, Orangeville	2,724.51
Information Orillia, 18 Peter Street North, Orillia	6,101.95
Information Oshawa, 50 Centre Street South, Arts Resource Centre, Oshawa	5,000.00
Community Information Centre, 377 Rideau Street, Ottawa	13,000.00
Information Gloucester, 2339 Ogilvie Road, Beacon Hill Shopping Centre, Ottawa	1,750.00
Peterborough Information Centre, 165 King Street, Peterborough	5,400.00
Helpmate Information, 10 Trench Street, Richmond Hill	8,150.00
St. Thomas/Elgin Information Services, 540 Talbot Street, St. Thomas	7,600.00
Information Sarnia-Lambton, 224 North Vidal Street, Sarnia	4,023.00
Community Council Information and Referral Centre, 452 Bay Street, Sault Ste. Marie	7,894.25
Sudbury Regional Information Centre, 67 Elm Street East, Suite 204, Sudbury	12,979.24
Community Services Information Centre, Box 482, Tillsonburg	6,000.00
Information Agincourt, 2240 Birchmount Road, Agincourt	6,500.00
AID, Unit 25B, 939 Lawrence Avenue East, Don Mills	5,330.00
Etobicoke Central Information and Referral, Cloverdale Mall, 250 The East Mall, Islington	8,000.00
Rexdale Community Information Directory, 1530 Albion Road, Rexdale	12,000.00
Information Scarborough, 545 Markham Road, Scarborough, Ontario	5,886.00
Bloor Bathurst Information Centre, 896 Bathurst Street, Toronto	18,650.00
Community Information Centre, 110 Adelaide Street East, Toronto	81,000.00
Neighbourhood Information Centre, 85 Barrington Avenue, Toronto	13,086.33
Neighbourhood Information Post, 265 Gerrard Street East, Toronto	5,905.25
York Information Centre, 636 Glenholme Avenue, Toronto	13,000.00
Weston Information and Referral Centre, 2000 Weston Road, Weston	5,898.00
Community Information Services, 65 Wyandotte Street West, Windsor	11,536.00
Help, 132 Woodbridge Avenue, Woodbridge	9,869.98
Information Oxford, Box 955, Woodstock	5,975.00

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MacBeth, J. P.; Deputy Chairman (Humber PC)
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Ontario

No. 121

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Thursday, November 29, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, NOVEMBER 29, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

ELLIOT LAKE URANIUM MINES

Hon. Mr. Parrott: Mr. Speaker, I have a national emergency; I just broke my glasses. I don't know if I'll get through this statement or not.

Interjections.

Hon. Mr. Parrott: The Treasurer (Mr. F. S. Miller) tells me we're the same age. I'll find out if that's true. Yes, indeed we are. Excuse me, Mr. Speaker.

Honourable members will recall last May I tabled in the House the final report by the Environmental Assessment Board on the expansion of the uranium mines in Elliot Lake. Today I wish to table part one of a two-part government response to the findings and recommendations of the board. I am tabling this on behalf of a number of ministries which are listed in the report, therefore I wish to emphasize at the outset that questions relating to the programs for which my colleagues have direct responsibility should be directed to them.

This part one report deals specifically with the community aspects of the board's report. It includes the government's response to matters related to population and housing, hard services and the provision of social services. The second report, to be tabled shortly, will deal with the government's response to findings and recommendations concerned with mining operations per se.

The rate of community expansion at Elliot Lake is significant in terms of both rapid population growth, relative to other communities in Ontario, and the dependence of this growth on conditions in the uranium mining industry. As a result of the expansion of Rio Algom Limited and Denison Mines Limited and their affiliated companies in the area, we expect the population of Elliot Lake will have grown to 23,700 persons by 1984 from 10,700 in 1977. A further jump is expected to increase population to 28,000 by 1988.

The government has monitored the rapid resurgence of the Elliot Lake area since the uranium mining companies signalled their intention to proceed with the expansion. Very early in this process the government was advised by the municipality of Elliot Lake that council would assume the responsibility for co-ordinating and putting into place the new community infrastructure required to support the influx of people expected as the mines expanded.

The municipal decision represented a bold and unique opportunity for a resource-based community to assume responsibility as the developer, particularly in view of the decline suffered in the early 1960s. The government of Ontario welcomed the initiative in the context of its policy to have municipal governments assume a greater role in the planning and administration of rapid growth.

The province, in assessing its role in the expansion of Elliot Lake and the adjacent municipalities, recognized problems could arise as the expansion proceeded, notwithstanding the proficient manner in which matters had been handled to date by local government. Consideration was also given in our assessment to the scale of the expansion, the area's location in northern Ontario and environmental matters related to uranium mining, milling, waste management, air and water quality and radioactivity.

The hearings and subsequent report of the Environmental Assessment Board assisted greatly in focusing the government's attention on many of these issues. Having carefully reviewed the situation and the board's report, the government decided the local municipalities have demonstrated the capability to manage growth and its effects. Normal provincial support programs from the various ministries are applicable, of course, and are being used by the municipality. Special provincial involvement should only be necessary if significant or unusual problems emerge.

The ministries directly or indirectly involved will monitor the situation during the next few years until a measure of stabiltiy is achieved in the community. Should significant problems emerge, the Ministry of Northern Affairs would be co-ordinating any necessary activities. Should action by the provincial government be considered neces-

sary at some time during the expansion, the issues will be referred to the cabinet committee for resources development for action.

The report I am tabling today is subdivided into sections following the same sequence as the chapters in part two of the Environmental Assessment Board's final report, which deals specifically with community assessment. It is, therefore, self-explanatory. Should honourable members have any questions they should direct them to the ministries which are directly concerned.

Thank you, Mr. Speaker; and my thanks to the Treasurer, his glasses have dollar signs written all over them.

CORRECTIONAL SERVICES DISPUTE

Hon. Mr. McCague: Copies of my statement are being handed to the leaders of the other two parties.

As members are aware, the Ontario Public Service Employees Union, representing Ontario government public servants, has requested a separate bargaining category for correctional officers and certain pay-related classes. The government has not acceded to this request as there are many other groups of employees that might make similar arguments for a separate category. This could lead to a doubling or tripling of the number of categories with which the government would be required to bargain.

On the question of salaries, the government still believes the reduction of the existing differential between the salary levels of the province's correctional officers and those of other jurisdictions can be resolved at the bargaining table. However, in a further attempt to resolve the impasse, I met yesterday with Mr. Sean O'Flynn and several correctional officers on the union's negotiating committee.

On behalf of the government, I proposed that the question of a separate category for the classes proposed be referred to an independent third party for adjudication and that the parties agree to be bound by the decision of the appointed adjudicator. I further offered to meet the president of the union to consider the names of persons who might be asked to accept this assignment.

Last night—and I am sorry I must vary from the statement slightly—Mr. O'Flynn agreed to consider this proposition. I have received at my office a telephone message from him saying the people involved and the union as a whole find this offer acceptable. (See correction below.) I did point out we already have the Shapiro report which is that of an independent body.

ORAL QUESTIONS

HYDRO RATES

Mr. Nixon: Mr. Speaker, I have a question for the Premier having to do with a statement he made, not in Ottawa, although there are a number of questions arising from that, but which he made in the House a couple of days ago. I quote from page 1435-2 of Instant Hansard. The Premier said, " . . . cost of kilowatts in the rural areas . . . compare favourably to any other rural jurisdiction."

Is he not aware that the cost of electricity in rural Ontario is the highest in Canada west of New Brunswick? Is he not further aware that his former Minister of Energy, the member for Prince Edward-Lennox (Mr. J. A. Taylor) has indicated in a recent statement that 800,000 rural consumers are being ripped off by the policy of the provincial government in that they are paying rates for electricity that are higher than elsewhere in Canada?

Hon. Mr. Davis: I think we really get down to a definition of what is meant by a rural consumer. I am referring primarily to those in the agricultural community. I will give the Acting Leader of the Opposition an example. Up until about two years ago the people in Bramalea, representing some 30,000 to 35,000 customers, were considered as part of rural hydro. They were charged by Ontario Hydro and were paying a higher rate than in the older part of the city of Brampton. They are now part of the city and are paying a common rate. There is still no question that there are people who are sort of in the urban environment who are still customers of Ontario Hydro.

I really haven't looked at the figures in a definitive sense from all of North America, but in general terms I think what the bona fide farmer is paying in terms of electrical costs is really quite competitive with comparable jurisdictions in this country. There is that grey area where there are a number of customers who are considered in Hydro's rate structure who, I would acknowledge, are rural by definition but who, in fact, are not farmers or not involved in the agricultural industry and really are part of some urban environment.

I don't have any other specific examples, but I think I could find these for the Acting Leader of the Opposition.

Mr. Nixon: Supplementary: I must say really that the Premier's statement encourages me a great deal, because there is a clear indication the information he has, either at his disposal or in the back of his mind, is incorrect.

I am not talking about the farmers who live in Bramalea or who live within a stone's throw of the Premier's house in Brampton. We are talking about the ones who live in rural Ontario. Is the Premier not aware that the real farmers are paying higher rates than in any other rural community, than any other farmers in Canada west of New Brunswick? For example, for 1,000 kilowatt-hours in Ontario, the price is $39.50. Even in Newfoundland, it it $34.61 while in Quebec it is $24.40.

Will the Premier take my assurance, and if not will he check it himself, that real farmers, the people milking cows and pumping water and so on, are paying rates higher than farmers elsewhere in Canada? Would he further agree that if those figures are correct he will take steps to correct this situation so that the farmers, in the words of his former Minister of Energy, are not going to be ripped off by the policy of the provincial government?

Hon. Mr. Davis: I would be delighted to get a breakdown of those figures and to give the honourable member the assurance this government has always taken the approach that we do everything we legitimately can to assist the farm community in this province. I think the record speaks for itself what we have done for—

[2:15]

Mr. Riddell: You say that with a smile on your face.

Hon. Mr. Davis: It's true. The member know it's true. The farmers in his community will be the first to admit it. In fact, the farmers next door to him, in his colleague's community, not only admit it, they give credit to the government of Ontario without any question whatsoever, just like his colleague, when he writes his weekly column, gives credit to the government of Ontario when it suits him—not always, but when it suits him.

Mr. Cassidy: Supplementary: Could the Premier kindly explain to the House why the government of Ontario, in co-operation with Brewers' Retail, ensures that beer is available across the province, despite the cost of transportation, at the same price to every consumer, but does not take any comparable steps to ensure that electricity in rural Ontario is not overpriced relative to the price charged to urban consumers?

Hon. Mr. Davis: I won't ask Mr. Speaker to rule on the validity of that being a supplementary question. I can only say the price of beer, which is equal across this province, does not reflect any personal prejudice on my part in favour of beer.

Mr. J. Reed: Supplementary: When the Premier is undertaking to correct what is obviously a very serious anomaly in the selling price of electric power, would he also take it upon himself to correct the illusions being created in certain recent publications of Ontario Hydro, certain propaganda publications which tend to indicate people in Ontario really do have a low price for power?

The name of the recent publication escapes me, but it's facts you wanted to know about Hydro and were afraid to ask. Would the Premier take steps to eliminate these illusions about the price of electric power the utility is now trying to promote?

Hon. Mr. Davis: Mr. Speaker, I don't think they really are illusions. One can get into a legitimate discussion as to the breakdown of prices between various consumers of Ontario Hydro, whether it's the municipal utility, whether it's the direct customers or what have you, but I think it is fair to state that in any relative sense, on any comparative basis, electrical rates in this province compare very favourably with just about every other jurisdiction in North America. I would go so far as to say they are much lower than the majority of other jurisdictions, certainly much lower than in western Europe, much lower than in Japan.

Mr. Nixon: We don't live there, we live here.

Hon. Mr. Davis: All right. Much lower than almost any other place in Canada.

Mr. Nixon: That's not a fact.

Hon. Mr. Davis: It is a fact.

Mr. Speaker: Final supplementary, the member for London Centre.

Mr. Peterson: Thank you very much, Mr. Speaker. I do appreciate your recognition after this month and a half in the desert.

May I ask the Premier how he explains the disparity between the energy he has spent trying to fight higher oil prices, and all of the energy of his government has been devoted in that way on a matter over which he really has no control, when here is a matter over which he does have control, and we have seen no energy, no attention and no thought given to that matter over which he does have control? Why the difference?

Hon. Mr. Davis: In fact we have devoted a lot of time and interest with respect to all energy-related matters. I'm very intrigued to hear the member for London Centre say he wonders why we have made the effort we have with respect to energy pricing because it's something over which we have no control.

I just wish he would communicate that to his leader, because he goes around this province saying the Premier of Ontario can solve all of this. I respect the member for London Centre's point of view on this far more than his leader's, because the member happens to be right. At the next leadership convention, he may make it.

Mr. Speaker: The Chairman, Management Board of Cabinet has been trying to catch my eye. I don't know exactly why.

CORRECTIONAL SERVICES DISPUTE

Hon. Mr. McCague: Mr. Speaker, I'm not sure what this is a point of; however, it's been mentioned to me by three members of the House that in my remarks I said the union had found my proposition for third-party arbitration on the matter of the ninth category to be acceptable. In fact, I meant to say "unacceptable."

Mr. Nixon: I could assure the honourable member who rose to correct his statement that it does make a difference. On that basis, I would like to direct a question to the Minister of Correctional Services. Will he explain to the House how he is going to ensure the safekeeping of the inmates of his correctional institutions? Is it a fact that many of the problem prisoners are being let go on temporary absence permits, tickets of leave, special paroles and so on, and that he is solving the problem by—

Mr. Peterson: By opening the door.

Mr. Nixon: —by opening doors?

Hon. Mr. Walker: Mr. Speaker, let me begin by saying, with respect to the question of so-called problem prisoners being released on temporary absence or any other form of open-door policy, that is not the case, that is just not happening. If it is, I would ensure it was stopped immediately, but I give the member the assurance it is not happening and that is not the case.

With respect to contingency plans, this ministry has contingency plans for virtually every circumstance and every possible happening, including the withdrawal of services. The contingency plans are in place. It is fair to say the jails will remain functional should a strike occur. Remember, it's an illegal strike, so should a strike occur the jails will remain functional and we will take all steps necessary to protect the public. The member can rest assured of that. The jails will continue to function.

Mr. Nixon: Supplementary: The minister is aware there were a large number of jail guards and people protesting the government policy before the Legislature last night. Is he also aware there is an indication from those who know about these things that the policy, if not the minister's that of those directing the correctional institutions, is that many problem prisoners are being set free? Since he has made an undertaking that is not the case, will he provide the House, as soon as he can, with the numbers of prisoners who are receiving tickets of leave, temporary absences and so on?

Hon. Mr. Walker: I certainly will, Mr. Speaker.

Mr. Mackenzie: Supplementary: Would the minister not use this last minute opportunity to discuss with his colleague, the Chairman of Management Board of Cabinet (Mr. McCague), the possibility of backing off from the hard line position they've taken, inasmuch as this has been a request from day one for correctional officers, and grant the separate bargaining category?

Hon. Mr. Walker: Mr. Speaker, let's just get one thing straight. Five years ago the union agreed to the number of bargaining units which were established at that time; there hasn't been a change in the circumstances.

Two months ago, I found out about the interest of having the ninth category for the first time. It's something that would normally be brought to the table as a bargaining point, and bargaining has not even begun. It seems to me logical, on the part of the union, that they consider discussing this matter in the proper forum. There are ways of averting an illegal strike. We have not been the ones who have chosen to go on an illegal strike. These people have a way of coming forward and discussing these matters; in fact the chairman of management board has indicated today, in a very conciliatory way, the entire matter of a separate ninth category is something he is prepared to put to binding arbitration. How much more conciliatory does the member want us to be?

Mr. Bradley: I have a supplementary to the minister, Mr. Speaker. If the representatives of the union were prepared to give an undertaking to either this minister, or I suppose more appropriately the Chairman of Management Board of Cabinet, that there would not be a further request for yet another category in the foreseeable future, would the minister then be prepared to entertain the possibility of complying with the request in light of the fact that would really remove what has been the number one reason for not allowing the additional category?

Hon. Mr. Walker: The basic concern here, and I think the member appreciates it, is not the question of a separate category, because we have been treating correctional officers in a very separate and distinct way.

Five years ago they received a special consideration far and above what other members of the same unit would receive, and it was the union that refused to permit it. Last year the correctional officers received a special two per cent distinction, so you would have to say that a separate category really has been, in effect, dealt with in a practical way.

The real issue here is one of wages. It is fair to say that there is a legitimate complaint on the part of correctional officers in that there is a large disparity between what is being received by them now, about $16,000 per year, and what, say a first-class OPP constable might be receiving, $21,000 a year. We hope that gap is going to be narrowed. Not only do we hope it is going to be, but the chairman of management board has given an undertaking that he is prepared to extend a special consideration in that case with respect to salaries. Negotiations haven't even begun yet; they are to start next week and here we are talking about an illegal strike.

Mr. Mancini: I would like to redirect my supplementary to the Chairman of Management Board of Cabinet, Mr. Speaker.

In view of the fact that the union had originally requested 12 categories and had ended up accepting eight; that it always wanted and for the past five years has continued to ask the management board for an extra category, a law enforcement category; in view of the fact that the 3,000 law enforcement employees cannot make their point when they have to negotiate alongside 6,500 health-care employees; in view of the fact that five other provinces across Canada have law enforcement categories; and in view of the fact, Mr. Speaker, that—

Mr. Speaker: Order. A new question, the member for Ottawa Centre.

GAS AND OIL PRICES

Mr. Cassidy: I have a question for the Premier, Mr. Speaker, about the agreement reached this week on oil and gas prices which will raise in Ontario the price of gasoline from $1.05 per gallon to approximately $1.95 by 1983, and which will raise heating oil prices in this province from 70 cents per gallon to $1.30 per gallon by 1983, a cost to every family of $540 for gasoline and $560 for fuel.

Could the Premier say why Ontario has not been pressing the federal government for the $10 billion that will be raised in revenues in this province from the petroleum sales between 1980 to 1983, in order that it may be used in and by this province to cushion consumers, cushion small business and to get this province growing in terms of alternate sources of energy?

Hon. Mr. Davis: Mr. Speaker, I have no comment on Mr. Broadbent's release. I am under the impression that no agreement has been concluded, that there are still some things outstanding to be resolved. While the NDP national leader apparently made some statements today, I am quite obviously not going to comment on what would be, at this moment, speculation.

In respect to the latter part of the question, if the leader of the New Democratic Party would read once again the things we have been saying, the material that was presented, the paper that was developed in August, he will find all of those matters dealt with at some length in those papers.

Mr. Cassidy: Since it is clear, Mr. Speaker, the only matters yet to be decided in the discussions between the federal government in Ottawa and Alberta are whether even more money should be shovelled out to the multinational oil companies and to their political allies in that province, could the Premier explain why this government continues to put its trust in the weak Conservative government of Canada, rather than insisting that the money raised from oil taxation in this province be rediverted, repatriated to Ontario, so that we can ensure consumers are protected, and we can ensure that we get going on energy self-sufficient and alternate sources of fuel?

[2:30]

Hon. Mr. Davis: I really don't want to labour it. Please read what we have been saying. The member will find much of that contained therein. Perhaps also he will not find contained therein the acceptance of this government of the general principle of equalization of oil prices across Canada.

I have to confess to the member that I support the use of revenues to have equalization of oil prices across Canada. If he doesn't happen to support it, I do support it, because I guess I am more interested in the constituents in Ottawa Centre than the member happens to be, because they happen to be the beneficiaries of that policy.

Mr. J. Reed: Supplementary: Since the Premier admitted, very interestingly during a former question, that he had no control over the ultimate price that would be arrived at for petroleum, would he not agree that

all of the machinations in which he has engaged over the last few months, creating the illusion that he has some bargaining power at Ottawa, have been a most disappointing hoax on the people of Ontario?

Hon. Mr. Davis: No, because I think the honourable member really knows in his own conscience what he is saying is not factually correct. Certainly it is not supported by recommendations from his own leader, who over the years has been totally inconsistent on this issue.

I said at the very outset that in terms of the negotiating position, or in terms of this province having some legal ability to influence the question of price, these tools were not available to us. This was said in August. It has been said on many occasions. If the member will go back in Hansard and read the things that were debated in 1973-74-75, he will find I was very frank about the same situation.

What the member for Halton-Burlington is suggesting, Mr. Speaker, is that the government of Ontario should have just sat back, acquiesced and not expressed a point of view. I would say, with respect, I think what we have done has been right, and I think what we have said will have some impact on some aspects of what ultimately is decided.

Once again, if the member goes back in history he will find the former government in 1974 was as committed to the philosophy of world price as it the existing administration, if not more so. He will find both of the producing provinces wanted world price then. We had no more cards to deal on that occasion than we have now, and the reality is that for four years we have been substantially below world price.

I have no idea what the ultimate price decision will be, but I will make a prediction for the member that in the current year, or in 1980, much as the producing provinces may want more we will not be at world price at the end of 1980, either.

Mr. Conway: He would bet on the sunrise tomorrow morning.

Hon. Mr. Davis: I will make another prediction for the member. One of the basic questions we have been asking, and one of the basic policies we want to see accepted, is that whatever the ultimate price may be, it will be substantially below that of either the Chicago price or world price, whichever happens to be lower.

If the member will recall the discussions of some two weeks ago—I know he watched them very carefully in between other chores that were more important to you than watching television—the first minister said and it was supported, perhaps not by direct response but I think implicitly it was supported, that our price ultimately would be below that of world price, which is significant. It may not be so to the member, but it is to the manufacturing sector and consumers in this province.

Mr. Cassidy: Supplementary: Could the Premier explain why this province is continuing to support the increased export of natural gas from Alberta, which the federal government is now prepared to endorse by allowing a further three and a half trillion cubic feet of natural gas to go from Alberta into the United States, when Canada will need that three and a half trillion cubic feet as one of the essential means of moving towards energy self-sufficiency in the heating sector during the 1980s?

Hon. Mr. Davis: Mr. Speaker, I hardly regard that as a supplementary; that is a separate issue, that is the question of export of natural gas.

Mr. Makarchuk: It is part of the whole package.

Hon. Mr. Davis: I think I replied to this a few days ago. The question was identical, and I said then Ontario was not supporting increased export of natural gas before the National Energy Board at this time. If the honourable member will go back again, if he will listen, I am telling him what was said, and he can either accept it or not accept it. I have made it very clear we were opposed to increased export of natural gas until such time, obviously, as the National Energy Board made its determination, until we knew just what alternatives were available and until there was some national approach to the whole question of energy.

I would only remind the leader of the New Democratic Party that in this country we have to recognize something else. If there are significant surpluses—and that is the terminology I have used—and acknowledging that at some point in the far-distant future frontier gas will cost more than existing gas, which no one debates, one has to remember we are still modestly dependent on our American neighbours with respect to coal for Ontario Hydro.

That may come as a surprise. It may be that the member can disassociate us from them on one issue but not on another. I think the honourable member must be very short-sighted. He doesn't have the perspective he says he has in terms of international relationships if he can say, on one hand, "We have a surplus but we are not going to give you any"—if, in fact, we have it—yet on the other

hand says, "Please share your coal resources with us because we happen to need it for the generation of our electrical energy."

I have to say to him human nature doesn't work that way. That isn't how human beings deal with one another. With respect, I'm not sure we can have international relationships if we don't recognize there has to be a two-way street.

Mr. Mancini: Supplementary: On November 2, the Premier responded to a question, which is recorded in Hansard, concerning the excise tax and his government's position, by saying there was no way he could table a telephone call in the House as to the government's position.

Would the Premier assure the House he will table all documents he will be sending to Joe Clark which state his government's position in its opposition to the proposed 25-cent gasoline tax hike?

Hon. Mr. Davis: I don't want to be unkind, but I would only ask the member for Essex South where he has been for the past two months. I really mean that. I don't need to table any information. I would just encourage him to read those things I have said. I have made abundantly clear our reaction to a proposed excise tax. There is no tabling of correspondence; there is no need for that. My point of view has been very clearly put. It was put, if he watched, at the first ministers' meeting. I don't know how much more evidence he wants of our point of view.

Our opposition to the excise tax has been publicly stated, just as it was stated when the former administration imposed a 10-cent excise tax some three or four years ago. Read it.

OTTAWA COURT FACILITIES

Mr. Cassidy: I have a question of the Premier about the Cartier Square development in Ottawa on which he commented during his visit to Ottawa yesterday. Can the Premier explain why there has been no consultation whatsoever with the community in Ottawa or with local authorities in Ottawa about the proposed swap of the teachers' college for land for the courthouse in Cartier Square?

In view of the virtually unanimous opinion of people at a community meeting in Ottawa Centre last night, which included the elected officials from the area, that they were opposed to non-public uses, such as the mess in the teachers' college, and that they wished a three-month freeze on further agreements until there was public consultation, will this government agree to that three-month period so there can be a process of public consultation and input on the future of Cartier Square?

Hon. Mr. Davis: I think what the member for Ottawa Centre is saying is he wants at least a three-month delay or longer of this particular facility.

Mr. Martel: Oh, no.

Hon. Mr. Davis: Well it is what he is saying. I am saying very simply we want to move ahead with the courthouse. We have been criticized by him and some of his colleagues because we have not moved ahead with it. We have had some modest criticism from the member for Ottawa East (Mr. Roy), who I must inform the House, was at the press conference yesterday about 4:30 o'clock or whenever it was. He was so overwhelmed by the announcement that, obviously, he is still in Ottawa today recovering from that great event, but it was great to see him there.

Mr. Conway: He is in Ottawa watching the Minister of Housing (Mr. Bennett) hand out the contract.

Hon. Mr. Davis: No; I am only guessing that he really wants to get as much experience in the old court facilities as he can before he moves into the new one on a more permanent basis. I can only say to the member for Ottawa Centre that we want to do it in the proper fashion. We are quite prepared, in terms of having the bar association and other groups offer advice, but we are not prepared to delay the project.

I would just ask the honourable member—this is a little bit of friendly advice—to go and talk to the construction unions in the Ottawa region and find out if they want this delay for a prolonged period of time. We want to see a little economic activity, we want to see some growth taking place, we want to see jobs created. I know that it's offensive to the honourable member, but that happens to be our point of view.

Mr. Cassidy: Supplementary: Since the Attorney General's department has not yet communicated to the Ministry of Government Services exactly what facilities they will require, or what square footage they will require for the building; and since I am told by the ministry that they will not have plans available for the courthouse—ready for tendering—until at least September of next year; why will the Premier not accept that there was a mistake made in failing to consult the community and that further agreements relating to Cartier Square should be stopped for three months until that process of consultation can take place?

Hon. Mr. Davis: Mr. Speaker, I have to say to the leader of the New Democratic Party that we don't intend to stop the process. To suggest we will hoist those agreements for three months, four months or whatever length of time is involved—people can change their minds; I want to get that order from the government of Canada in council, or whatever it is, now. We have been trying to get something for the last three years and I want to get it immediately.

There is no question that it will take the Ministry of Government Services a period of time to design the facility. This will give people an opportunity to express a point of view, but please don't urge us to delay a project that is now overdue in the interests of that community, the economy of that community, the aesthetics—all of those things that we feel are important.

We want to proceed. I don't want to call up the government of Canada tomorrow and say, "Listen, we have been pushing hard for three years. Please delay it for another three or four months." I want to complete it.

The design and all of those things will take time. There will be a chance for people to contribute a point of view. Please don't hold up progress in Ottawa Centre. I urge the leader of the NDP, as the local member, to get on the side of progress.

Mr. Sterling: Supplementary: In light of my conversation this morning with the executive of the Local 527 of the construction workers' union in Ottawa, who said he and the other union executives and members are overjoyed by the announcement of a courthouse in Ottawa and that construction should begin as soon as possible; and in light of the high level of unemployment in the construction industry in Ottawa; will the Premier assure us he will go ahead with the construction process as soon as possible, in full consultation with the community and with the Carleton bar association?

Hon. Mr. Davis: Mr. Speaker, I can give the very distinguished member this assurance: in spite of the objections of the member for Ottawa Centre, we intend to pursue this project just as expeditiously and as reasonably as possible.

Mr. Cassidy: In view of the government's abdication of any responsibility for consulting with the community in Ottawa, could the Premier explain why the government of this province was prepared to give up jurisdiction to the Ottawa Teachers' College, a building which has stood open to the public for almost a century? Why was the government prepared to give up jurisdiction to that building without even having any thorough study as to whether or not that teachers' college could be renovated and expanded to form the courthouse facility?

Hon. Mr. Davis: Mr. Speaker, there was an assessment of the Ottawa Teachers' College. We have all looked at it. I know the college very well; it's a great facility. The only problem is that it doesn't make sense to turn it into a new courthouse.

[2:45]

OLC SALE OF LOTS

Mr. Bradley: In the absence of the Minister of Housing, Mr. Speaker, I will direct this question to the Premier, if I may.

I am in receipt of a letter that is addressed: "To whom it may concern." It is from the Ontario Land Corporation, and offers serviced lots at favourable prices in the cities of Welland and Niagara Falls, 14,500 in Welland and 11,000 in Niagara Falls. My question to the Premier is this: Could the Premier tell the House who receives this particular letter and what criteria is used to determine who shall be on the list of those receiving this particular letter which offers these lots at favourable prices and under favourable terms?

Hon. Mr. Davis: Mr. Speaker, I am not sure who was on the list. Quite obviously the member for St. Catharines has that. If he wants to make a tender on any of those lots for his own use I don't think there would be any conflict in that. It might be a great spot for him to build a house. I have no idea, but in the absence of the Minister of Housing I would be delighted to get that information for him.

If there are any of the honourable member's constituents who have had that circulated to them I will undertake to make sure they have that same opportunity.

Mr. Bradley: Supplementary: Since I received a letter from an individual who identifies herself as "to this time of Conservative membership," and who is complaining of the fact she did not have the same opportunity that apparently only registered builders have, would the Premier undertake to ensure the average citizen in Ontario does have the same opportunity to purchase these serviced lots at this price and not just a selected group?

Hon. Mr. Davis: I think the member will find it is the policy—and I am only guessing at this—of the land corporation to offer lots to those people who are in the industry. I doubt they offer them to individuals who wish to build a house of their own; they

would be offered to registered builders who are part of the building organization. I will check this out for the honourable member and get an answer for him, but that would be my guess.

HEALTH SERVICE CHARGES

Mr. Breaugh: I have a question for the Minister of Health. The minister is aware of the case of a Mr. Joe Miller, here in Toronto, who has obtained legal services to protest to the Ontario Medical Association about extra billing without notice. I wonder if he would report on the status of that case?

How does the minister reconcile people who are now getting lawyers to represent them in cases of extra billing with the statement from the communications officer at the OMA that, "It is not possible, however, to resolve third party complaints"? This is in response to a letter from the honourable member for Welland-Thorold (Mr. Swart).

Hon. Mr. Timbrell: Mr. Speaker, I don't believe I am aware of that particular one, but I will certainly check into it.

My experience has been, with other cases that have been raised by the honourable member and some of his colleagues, that they can and do assist in resolving individual cases and problems. There are examples of that in the media this morning, as a matter of fact, where that did happen.

Mr. Breaugh: It is obvious in at least these two cases it is not working out. Is the minister now prepared to give serious consideration to private member's Bill 169 which says in a publicly-funded hospital, using publicly-paid-for equipment, with publicly-funded nurses and technical staff, at least in that situation the doctors would provide it at the OHIP-approved rate?

Hon. Mr. Timbrell: As the member knows, it is the feeling of the government, supported by the hospital association and the medical association, that all services should be available in public hospitals at OHIP rates. That isn't to say there won't be some instances where there are misunderstandings or problems, but those can be resolved through the office of the minister, or more particularly through the boards and the administration of the community-owned and community-run hospitals.

NIAGARA RIVER POLLUTION

Mr. Speaker: The Minister of the Environment has the answer to a question asked previously.

Hon. Mr. Parrott: Mr. Speaker, on Monday of last week the member for Niagara Falls asked me some questions concerning Olin Chemical Corporation in Niagara Falls, New York. Frankly, I was somewhat disappointed by the fact the member chose to imply the ministry was unaware of the matter simply because I said I, personally, did not have all the facts at my fingertips.

My regional staff are in regular contact with their counterparts in New York state and much information is exchanged as a matter of course, particularly since the New York state officials are examining landfill sites in their area to see what potential problems may exist and what can be done to solve them. We are continually being advised of the results and programs.

With respect to the Olin Chemical Corporation, I am informed the company engaged a hydrological consultant to prepare a report on any potential problems with this landfill operation. My staff discussed the report with the New York officials. In summary, the report states it is possible, and I repeat possible, that as much as 1.4 million gallons a vear of run-off may be leaching into the Niagara River from this landfill site. The New York State Department of Environmental Conservation has given the company until April 9, 1980 to submit plans for dealing with this leachate problem.

To reassure the residents who use the Niagara River as a source of drinking water, my ministry, as I am sure the member knows, continually tests and samples this river water.

Mr. Kerrio: In regard to the statement the minister just made, the Olin report says the sediment contamination revealed in recent reports almost certainly confirms earlier fears that the chemicals were eventually ending up in the river.

Is the minister aware that while the fish that are caught commercially in Lake Erie are fit for human consumption, the fish in Lake Ontario are not? Isn't that an indication that the 200 dump sites located along the Niagara frontier should have a very high priority as it relates to our Ministry of the Environment and the officials in Niagara Falls, New York, so that we know exactly what's going on in a much closer relationship between the two ministries?

Hon. Mr. Parrott: How often do I need to report that the two departments are in continuous contact? I've said it a dozen times. I cannot say it more forcefully than that. They are in continuous contact with each other.

Mr. Kerrio: But what is happening?

Hon. Mr. Parrott: The member can say they aren't, but I tell him they are. Having done so, I put on the record today that the DEC is giving the company until April 9 to bring in plans to solve that particular problem. They have to look after their jurisdiction, as we must on this side of the river, and I think the member would agree that we are doing so.

Mr. Speaker: The member for Scarborough West, with a new question.

Mr. R. F. Johnston: I think I'm out of order.

Mr. Speaker: I'm sorry—the member for Huron-Middlesex.

Mr. Riddell: Thank you, Mr. Speaker, I'm pleased that you notice there is a distinction.

Mr. Speaker: Duly in rotation.

PETROLEUM ALLOCATION

Mr. Riddell: Mr. Speaker, a question to the Minister of Agriculture and Food: Is the minister aware that under the federal government's petroleum product allocation plan the agriculture and food processing classification category has been moved from its previous A designation, as critical, to a B classification along with such services as garbage collection and snow removal?

Does he not feel that food supplies would be of critical importance if there was a rationing program? Has the minister protested this change to the Minister of Energy (Mr. Welch), who is supposed to be working very closely with the minister's federal friends in Ottawa as they develop their contingency plan, and has he made it quite clear that this change is unacceptable?

Hon. Mr. Henderson: I was not aware of the proposal the honourable member has mentioned. We, as the government of Ontario, are ready to support agriculture in any way necessary to see that there's an adequate supply of energy for agriculture.

Mr. Riddell: That's a similar response to that which the farmers got this morning at the federation convention. However, let me try this one: Since a former Minister of Energy in this government—I forget which one it was because they have changed so rapidly—was so vocal in the government's opposition to Bill C-42, The Energy Supplies Emergency Act, when the previous federal government introduced it, and went as far as calling it "a camouflaged War Measures Act for which there is no present need," why is this government so silent on it now that its Tory friends in Ottawa have announced they are going to establish an energy supplies allocation board under the existing legislation?

Hon. Mr. Henderson: The Minister of Energy is not here, and I am sure that he would be only too glad to respond. I, as the Minister of Agriculture and Food, was not aware of this particular part of the proposal.

EAST OF BAY PROJECT

Mr. R. F. Johnston: My question is for the Minister of Government Services and concerns the east-of-Bay superblock. If the minister is aware that in 1973 the Premier (Mr. Davis) promised to develop this site "compatible with the desires of the city of Toronto"; if he also knows the Ministry of Intergovernmental Affairs has used the words, "co-operation, consultation and co-ordination," as the watchwords of that ministry's involvement with municipalities; is the minister going to ignore the city of Toronto executives' request for his participation in a reasonable planning process in order to resolve differing objectives for the superblock, or is his ministry going to continue to be identified by the watchwords "clandestine, closed and covert"?

Hon. Mr. Wiseman: My ministry looked at a plan the mayor of Toronto submitted to us, but it didn't meet the ministry's long-term use for this site. I think the member should also know we did have a meeting this week in which we discussed the possibility of the Y purchasing a piece of this property. At this time, we haven't decided whether or not we are ready to sell that property to them or whether the government wants to sell it.

Mr. R. F. Johnston: Supplementary: The city has also agreed that the Y can have a portion of that property. Forgetting for a moment that the minister's unilateral intervention will undermine the city's attempts to secure a new bus terminal, is the minister not aware of the importance of this site in the city's policy of providing affordable housing in the downtown area? Does he not agree that detailed planning discussions must take place between the province and the city if those plans are going to develop? Why has the minister taken so long to discuss this matter with the mayor, and why has he told him that he will not discuss it further?

Hon. Mr. Wiseman: We have had some discussions with the bus company for the part along Wellesley and fronting on Bay Street; but there are preliminary discussions and if we went ahead the bus company would have to obtain all clearances from the

city of Toronto. If they were to go ahead, we would be looking to the bus company for office space of between 250,000 to 500,000 square feet. This is what would be necessary in the long term to meet some of our requirements for office space.

We haven't yet decided what we are going to do as far as the Y is concerned, but the matter is still under negotiation. I understand from the honourable member that the mayor is in favour of the Y plan, although that is not the impression I got from my discussions with him the other day. I gathered he wasn't interested in having the Y on that particular site, unless it were to be on Bay Street, which is not acceptable to us at this time.

Mrs. Campbell: Supplementary: Does this minister not understand that the planned process for the east-of-Bay area has gone on for several years; that many citizens have given freely of their time in order to try to develop, in concert with the government of Ontario, a plan for that area? Does he not understand that unilateral decisions made by this government against that background are shabby and disgraceful? Will he not go back to the municipality at least to discuss both the Y matter and the bus matter?

Hon. Mr. Wiseman: Some time ago the government assembled this piece of land for its use in the future. We are looking at two possible uses for it right now, keeping our needs in mind. I think I have a responsibility to look at the government's needs for this property as well. If the mayor wants some additional housing property, he can assemble a piece of land in the same way we did.

[3:00]

AUTO INDUSTRY

Mr. Laughren: Mr. Speaker, I have a question for the Treasurer. Since our trade deficit this year in autos and auto parts is going to exceed $3 billion, does he not think it is in keeping with at least the spirit of the auto pact that the auto industry build some of the small-car facilities in this country in view of the down-sizing that is taking place in the market?

Hon. F. S. Miller: Yes.

Mr. Laughren: Is the Treasurer aware that —I suppose he wouldn't be until I tell him— yesterday General Motors' executives in Oshawa told us they had no intention whatsoever of building any further small-car facilities in this country? In view of that, will the Treasurer call together the industry leaders, the federal government and the union leadership to talk about this problem? Will he insist that this happen—that some new small-car facilities be built in this country so we can begin the process of protecting Ontario jobs?

Hon. F. S. Miller: Mr. Speaker, the honourable member has often accused us of paying too much attention to the assembly of vehicles versus the construction of component parts. It seems to me the most recent announcements GM made—I am not defending them—were that they were investing a good deal of money in the Windsor area for components of the X cars. These are not their current subcompact but their compact model. I also understand that part of their plan was to expand at Oshawa and in St. Catharines. I thought there were engine plant divisions being made in those directions.

PUBLIC TRANSPORTATION

Mr. Haggerty: I have a question for the Minister of Transportation and Communications. The minister is aware of the federal Minister of Energy's fuel allocation board relating to all areas of petroleum consumption and the possibility of petroleum rationing. What studies or planning has the provincial ministry completed to date regarding alternatives for public transportation for urban connections beyond the present GO system? Have any contingency plans been initiated to extend the GO system beyond the communities now serviced?

Hon. Mr. Snow: Mr. Speaker, this is somewhat of a confusing question. I said in this House the other day that we do not have any plans to extend the GO rail service beyond the present limits and the announced expansions that are under construction at the present time. In the long range, we're giving consideration to the possible electrification of the GO rail system as an alternative energy source for that segment of public transportation.

As for the bus industry, I think from an energy point of view buses are buses, regardless of who owns them, who runs them and who rides on them. The private-sector bus industry and the semi-private-sector bus industry is very capable of handling all needs as far as bus transportation is concerned.

Mr. Haggerty: Supplementary: Has this ministry appointed a petroleum conservation committee to study transportation resources operations to review and to improve public transportation in the light of the tightening up of the consumption of petroleum fuel and its supply?

Hon. Mr. Snow: I would say no to that question. We do have a transportation energy

management program. I don't know what the member calls his committee, but we haven't got one of those anyway. The Ministry of Energy and my ministry have a program called the transportation energy management program. It has been working for a couple of years now on all aspects of transportation energy and what provisions can be made for the preservation of same.

HOPPER CARS

Mr. MacDonald: I have a question of the Minister of Agriculture and Food. Would the minister report to the House what action he has been able to get from his federal counterparts to make hopper cars readily available for the shipping of corn from Ontario to the Atlantic provinces?

Hon. Mr. Henderson: It's interesting that I just sent that information across to the member's colleague on his left.

Mr. Breaugh: That's why we asked the question.

Hon. Mr. Henderson: I realize that. Two weeks ago today I sent a telegram to the Honourable John Wise, Minister of Agriculture, Canada, which said, "We wish to bring to your attention the inadequate performance of Canadian National—"

Mr. MacDonald: What action did the minister get? We know he's done that.

Hon. Mr. Henderson: What action did I get? I got a response from Mr. R. R. Latimer, a vice-president of CN Rail. In it he admits to a shortage of hopper cars. He points out they need approximately 150 more hopper cars to supply the area. He points out in the telegram—I can read it if you wish, Mr. Speaker—that the grain dealers themselves did not ask for sufficient cars, so they were not allocated.

If I might go on further, I would point out to the House that in 1977 Ontario had 155 million bushels of corn. In 1978, we had 140 million bushels. In 1979, the expected crop is approximately 170 million bushels, up about 15 per cent from last year. There was sufficient storage for the corn crop we had in previous years. Due to the exceptional weather for the harvesting period, the corn was harvested in a three-week period instead of the usual six-week period.

Mr. MacDonald: Supplementary: We all know—and the minister has just confirmed—we have corn running out our ears and no place to store it. What we want are hopper cars to get it to the market that wants it in the Atlantic provinces.

My supplementary question to the minister is since all federal governments, Liberal as well as Conservative, have tended to ignore eastern agriculture and to be preoccupied with western agriculture, will he make representation to his kissing cousins in Ottawa to have Hugh Horner made not just a grain co-ordinator but an agricultural products co-ordinator, so he will lift his sights from the prairies and take a look at the problems of transferring corn from Ontario to the Atlantic provinces?

Hon. Mr. Henderson: I could take up the time of the House. The honourable member has read both our telegrams. We have pointed out the urgency of it, both to CN Rail and to the Minister of Agriculture, Canada. I can assure members it is getting our full consideration.

DREE AGREEMENT

Mr. Villeneuve: I would like to ask the Treasurer if there is any hope of the DREE agreement being signed in the near future with the federal authorities. I have no fewer than 28 municipal drain projects. It's going to cost the taxpayers in my constituency alone over $980,000 extra in taxes if this agreement is not reached.

Hon. F. S. Miller: Where there's hope, there's promise and, as a politician, I make many. I would promise we will be signing this agreement at last, hopefully, within the next 10 days and, hopefully, in the town of Kemptville.

SALES TAX REBATES

Mr. Eakins: Would the minister tell the House if it is his ministry's policy not to refund retail sales tax paid on the cost of goods sold in a real property transaction, in the event that a buyer goes bankrupt before paying the seller, thereby preventing the seller from receiving either the money for the total sale or the sales tax on the cost of goods that had already been submitted to the ministry? Is it his ministry's policy not to give back the sales tax that was previously remitted by the merchant in the unfortunate circumstance of dealing with a company that experiences bankruptcy?

Hon. Mr. Maeck: Mr. Speaker, I believe we have some legislation under which some adjustments can be made, up to a period of 18 months, in a matter such as the member has indicated, but in general terms, that's quite true. If the tax is collected and submitted, the responsibility is on the person selling the product to collect the tax. If he chooses to give credit to someone who goes bankrupt he is out that money, as well as the money they owe him for the product.

In some instances, and I would have to refer to my legislation in detail before I could give the honourable member a definite answer, some adjustments can be made. I think it's for a period of 18 months.

PETITION

TELEPHONE RATES

Mr. McEwen: Mr. Speaker, I beg leave to present a petition from 954 persons objecting to a rate increase proposed by the Community Telephone Company of Ontario Limited unless the following conditions are met:

1. Service be improved and billing methods be utilized by the above company which will be satisfactory to all customers;

2. Extended area service be made available for customers who have no other alternative but to use the Inverary exchange.

Out of 1,189 subscribers in this particular area, there are 954 objections. One hundred and thirty-nine cottagers could not be reached for their reaction and 43 permanent residents' telephones were either not in working order or had been disconnected. Those persons whose telephones were disconnected by the Community Telephone Company of Ontario were not given any reason for the action.

Only nine subscribers have indicated that they are satisfied with the above-mentioned telephone company.

There are also two resolutions with this petition. One is from the council of the township of Loughborough and the other is from the council of the township of Storrington, and they protest the proposed increase and the service given to subscribers by the Community Telephone Company of Ontario. In addition, there are eight letters from individuals complaining about the service and the proposed increase.

NOTICE OF DISSATISFACTION

Mr. R. F. Johnston: I was dissatisfied with the response from the Minister of Government Services (Mr. Wiseman). I rise, pursuant to standing order 28(a), and request the debate of the matter at the adjournment of the House.

REPORTS

STANDING SOCIAL DEVELOPMENT COMMITTEE

Mr. Gaunt from the standing social development committee reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Education be granted Her Majesty for the fiscal year ending March 31, 1980:

Ministry administration program, $23,083,600; education program, $2,130,571,400; services to education program, $165,190,100.

STANDING ADMINISTRATION OF JUSTICE COMMITTEE

Mr. Philip from the standing administration of justice committee reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of the Attorney General be granted Her Majesty for the fiscal year ending March 31, 1980:

Law officer of the crown program, $3,486,500; administrative services program, $37,173,400; crown legal services program, $16,641,100; legislative counsel services program, $992,900; courts administration program, $76,295,700; administrative tribunals program, $8,163,400.

[3:15]

MOTION

COMMITTEE MEETINGS

Hon. Mr. Wells moved the standing general government committee be authorized to meet this afternoon and evening to consider Bill 164, An Act to amend the Assessment Act.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, this is not a motion, but I would like to inform the House that although the printed order calls for us this evening to resume the adjourned debate on the motion for adoption of the first and second reports of the standing statutory instruments committee dated June and November 1977 and then, if time permitted, continue the budget debate, it has now been decided that this evening we would consider Bill 160 in committee of the whole House stage and we would then consider in second reading and committee of the whole House Bills 148, 149 and 150.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

HEALTH INSURANCE AMENDMENT ACT

Mr. Cassidy, on behalf of Mr. Lawlor, moved second reading of Bill 168, An Act to amend the Health Insurance Act, 1972.

Mr. Speaker: The honourable member has up to 20 minutes, and if he wishes to reserve any time, he can notify us.

Mr. Cassidy: Thank you, Mr. Speaker, I will reserve any time left at the end of my speech.

I am proud this afternoon to propose the bill to restore one-price Medicare to Ontario and to bring to an end the extra billing of patients, which has become too common a feature of our medical scene in this province over the last year and a half. I am particularly proud because this bill, An Act to amend the Health Insurance Act, is so widely supported by the people of Ontario.

Over the course of the last month, over 275,000 people have signed the NDP's petition opposing the cutbacks in health care and opposing extra billing by doctors. Not only that, 75,000 people signed the similar medicare campaign petitions or ballots of the Ontario Federation of Labour. That makes more than 350,000 residents of Ontario who are calling with the New Democratic Party for an end to health cutbacks and an end to extra billing by doctors.

These people will finally give their verdict on the government's handling of the health system when we come to the next provincial election, but we need action now to rectify the most urgent problems by stopping the hardships that are created on people who are having to pay doctors their extra bills.

I want to say to whatever few members of the government have stayed in the chamber for this debate, it is not too late to join with us and get back to the original intention of medicare. I ask the government party not to block this bill, but to allow it to come to a vote and for it to become law in Ontario.

I want to remove any possible confusion which has been created by the Minister of Health (Mr. Timbrell), who seems so puzzled by NDP policy. Bill 168 does not remove the doctors' right to opt out. We fully understand some doctors were never in and other doctors have stayed out because of the administrative hassles of dealing with OHIP under a Tory administration.

What we are saying is that opting out should no longer be of expense to the patients, because they already pay once for their health care through premiums and twice through taxes. They should not have to pay a third time by means of the doctors' extra billing. What the bill does, though, is to remove the doctor's option to charge his patients any more than OHIP will pay.

To give them credit, it is significant that 82 per cent of the doctors in Ontario remain within the plan and are content with the OHIP fee as a fair fee. We give them credit for that. What we deplore is the fact that other doctors have chosen to opt out and to charge extra fees which in some cases are quite extortionate.

We are simply saying the health insurance plan of this province should meet all of the health needs of the people it covers. We are simply saying the original intention of the federal medicare act, which was to have medical care on uniform terms and conditions, should continue to be a reality in this province. We are saying the goals of universality and of accessibility which came with medicare 10 years ago should not be abandoned by the government.

I want to point out some of the problems we are facing with opting out right now with which this bill attempts to deal. In the first nine years of medicare the opted-out fee schedule under the Ontario Medical Association was approximately 11 per cent higher than what OHIP paid. In my opinion 11 per cent is too much. Nevertheless, most of those doctors—the few doctors who remained opted out—were billing privately at a rate that was only marginally above what the patient got back from OHIP.

Effective in May of last year, however, the Ontario Medical Association acted unilaterally and raised the rates to the point where they now are an average of 43 per cent higher than the rates paid by OHIP. In other words, a surcharge which was an annoyance has become a surcharge which is a real deterrent for many and is a complete obstacle for some people in the province to getting health care from the doctor.

In the second place, the averages about opting out don't tell the full story. Eighteen per cent of the doctors in this province have now opted out, but if you look at specific areas you find the degree of opting out is much greater. Forty per cent of the doctors are out in the region of York, 25 per cent in the city of Toronto, almost all the family doctors in Stoney Creek and in some hospitals, like Women's College Hospital, all the gynaecologists have opted out. In a number of hospitals across the province all of the anaesthetists have opted out—they seem to be the worst in terms of refusing to tell their patients in advance that extra billing is going to take place. In my area in Ottawa 42 per cent of the allergists, 48 per cent of the obstetricians, 45 per cent of the ophthalmologists, 40 per cent of the radiologists and 40 per cent of the cardiovascular surgeons are out of the plan. The averages conceal the true story.

Third, even if you accept the figures that have been given to this House by the Minister of Health, they show there is an enormous amount of extra billing in the province and that extra billing ought to stop.

The minister told us the other day there had been 38 million claims paid by OHIP since April. He said that effectively opted-out doctors were billing above the rate about half the time; that is because some of them bill through the hospital at the OHIP rate. That means that three million times in the course of the last six months people have had to face that extra doctor's bill. What it doesn't tell us is in how many other cases did they have to go down on their knees to beg, did they have to fight with the collection agency, did they have to decide not to go to the doctor because they feared the doctor was going to extra-bill them.

If 18 per cent of this province's teachers came to school on Monday morning of next week and told the students that before class could begin the students were going to have to come up with a fee equal to 40 per cent over what the province and local municipalities pay for education, it is clear the province wouldn't put up with that kind of behaviour; they would deal with it. Yet this is precisely what is happening in terms of medicare and the province is not dealing with it.

Mr. Conway: Do you know much about separate high schools?

Mr. Cassidy: Separate high schools are an exception, that is right. But in the public high schools it is as though teachers were being allowed to opt out.

I ask the government, would they allow teachers to opt out and to charge extra? I am sure the answer is no. Why then should it be the case that doctors, who earn two and a half times as much as teachers, should have that privilege?

Ellen Roseman, who has been following this matter in the Globe and Mail, quoted one patient this morning. After her doctor extra-billed her she said, "I waited until the OHIP cheque came in and then sent out a cheque for the same amount. I haven't heard anything since, but I am now worried about my status at the hospital. Can I be blacklisted and refused treatment by anaesthetists in the future?"

She might have asked, "Will I risk the collection agency coming after me in the future?" Those things are happening in the province right now because of bills generated by opted-out doctors.

Two of my colleagues have submitted bills which are to be read in conjunction with Bill 168, which essentially say it should not be allowed for collection agencies to intrude on the doctor-patient relationship. We should get collection agencies out of the consulting rooms and we should ensure the doctor-patient relationship is based on caring and not just on cash.

I see the member for Carleton-Grenville (Mr. Sterling) is very disturbed; he looks disturbed over this matter. I ask him to join with our party in supporting this bill and to defend the residents of his riding who also signed this petition in large numbers.

The bill will end the iniquitous practice of extra-billing patients who didn't know before they were billed that the doctor was opted out of OHIP. We have brought those cases before the minister again and again. They have gone to collection agencies, they have gone to the college of physicians and surgeons. They have gone to the Ontario Medical Association and they have come to individual members of this party. The minister has failed to respond.

He came up with a gentleman's agreement in the spring. That gentleman's agreement has been proven to be not worth the paper it was written on or the words with which it was uttered. We have kept proving that. Even after the minister told the OMA for the second time they had to shape up, they have failed to do so.

I think it's offensive that the president of the Ontario Medical Association, Dr. Douglas Caldwell—I am not sure if he is here today —is not only himself an opted-out anaesthetist, but he publicly admits that as a matter of practice he does not adhere to the gentleman's agreement which has been put forward by the government, under which he is meant to tell the patient in advance if he is going to extra-bill. That particular doctor doesn't tell the patient in advance and then quite cheerfully extra-bills at the end. His most recent letter to the profession said if they didn't tell the patient in advance, they should take the opportunity of telling the patient that they were going to extra-bill before they submitted the bill.

That is some gentleman's agreement. We have had enough of trying to get the minister to recognize the failure of his agreement and to get the minister to recognize the need to act toughly to make his agreement stick.

The bill before us today amends the Health Disciplines Act in such a way that it will be professional misconduct to bill over OHIP without prior notification. There too, the voluntary route which was tried in the spring hasn't worked. We believe doctors will adhere to the law if the law is firmly put down. We

deplore the fact the government hasn't been prepared to change the law. That's why we are bringing forward this bill which will change the Health Insurance Act and will define it as professional misconduct for a doctor to consistently charge over the OHIP rate or to fail to reimburse a patient for an overpayment after it's been discovered.

The principle of this bill is simply that OHIP should once again take full financial care of patients as it has, throughout the history of our health insurance plan, taken such generous care of our doctors. I want to comment on that for a moment because I am sure one or two members of the government are going to talk about that as well.

There isn't anyone in this House who is going to maintain doctors should be paid the same rate as apprentices who are working in a factory for their first year. In fact, there is general support in this province, as in other provinces, for the principle that after eight or 10 years of training and because of the demanding and responsible work they do, doctors should be relatively well rewarded. However, when their average incomes are three and a half times as high as the average industrial wage in Ontario; when doctors in this province earn, after expenses, in net terms, $55,000 a year and when specialists earn $62,000 net a year, then one has to ask whether some of the demands they have been making in terms of opting out and their very hefty fee increases are justified.

[3:30]

The OMA has preferred to focus on what has happened to medical incomes over the last few years. They don't talk about the big increases in incomes that doctors enjoyed with the introduction of OMSIP, with the private medical schemes that came in during the 1960s and with the introduction of the present medical scheme in 1969. Those had the effect of paying doctors for services to patients whom they used to treat for free. They had the effect of eliminating the need for doctors to wipe out or to forget bad debts.

There was an enormous increase in incomes at that time, which they are welcome to, but they should not now turn around and say, "Well, we want it again and again and again," nor should the public of this province be made to pay because of an argument that general practitioners are underpaid. When one looks at the maldistribution of medical incomes that prevails right now, clearly there's a problem of GPs getting too little in relation to specialists. The answer there is to redistribute incomes within the medical fraternity, rather than giving specialists as well as GPs a big extra bonus.

We feel, as well, the surge in medical incomes has reflected the bias in favour of costly medical treatment that comes with a fee-for-service system of payment and the failure of the government over 10 years to bring in community clinics, community medicine and medicine which is outside of the hospitals and to get away from the high-technology, high-cost type of medicine we have tended to practise in Ontario.

I should tell the government if it looks at the doctors who are opting out, too often the people who are opting out—who can afford to opt out—are the specialists and not the GPs, the best-paid doctors and not the worst-paid doctors, the doctors in Toronto and places like that which are already well serviced by medical services and not the doctors up in Timiskaming, North Bay and northwestern Ontario.

If there was ever a case to pay doctors extra for dedication, for time on the job and for constant and relenting devotion to duty, it surely would be with the doctors who serve tens of thousands of square miles in serving the people of northern Ontario. Yet, in the main, they are the opted-in doctors, because the economic conditions of the people they look after cannot permit them to opt out. So the doctors who may deserve a bonus don't get it, while the doctors living down in the major cities like Toronto, Ottawa, Hamilton, London and Peterborough, are the ones who have opted out.

I would like to spend some more time spelling out in detail what this party feels about the current stress on fee-for-service medicine. We think there should be alternatives. We think doctors should have the option of working on a capitation fee. We think clinics should be made available. We think all of these changes ought to have been made many years ago. We have talked about them many times as well because we want to see a move to less institutional care and more preventive care to get health care into the community.

What I do want to note, however, is that there is now increasing support for the kind of alternatives we have spelled out in our health green paper some time ago, which have been implemented by the steelworkers in the group clinic up in Sault Ste. Marie which has been operating since 1963. The medical reform group, a ginger group of doctors, is saying "Stop the extra billing. Get community medicine. Let's do preventive work." A third of the doctors in the province

at the very least are clearly at odds with what their leadership is saying, when the leadership resents and rejects any change in the medical system. As far as the public is concerned, there is enormous support for major changes in terms of the medical system.

I want to turn, finally, to the negotiating process between the medical association and the government with respect to the payment of physicians. I recall the government's announcing this process in the spring and saying the aim was to come up with a fair negotiated settlement. We understand what that means. We are familiar with labour negotiations. We are familiar with what a fair settlement can be. If that's what they come up with, then more power to them. We think, however, if there is a fair income agreed to in the negotiations, it doesn't need to be supplemented.

I ask the government members to defend how one doctor should be able to opt out and get an income which by definition is too high and, therefore, unfair while eight other doctors decide to stay in the plan and to take the OHIP rate. If the rate is fair, it's fair and that's the end of it. In the hope and expectation a fair fee schedule will be agreed to between the OMA and the ministry, I am today moving this legislation. It says very plainly that doctors may not charge their patients above the negotiated fair rate in Ontario.

I have to say that the medical profession operates as a closed shop, if anything, far more closed than anything that has been demanded from such retrograde employers as Radio Shack or Blue Cross or Butcher Engineering. There are rights of discipline and rights of control in the medical profession that make Ontario's trade union movement look like a bunch of softies.

We resent the fact that the doctors have unilaterally taken for themselves an 11.9 per cent increase in the OMA fee schedule. They have expressed themselves as dissatisfied with 11.25 per cent coming from OHIP—which is on the table right now—while at the same time they have sat silently by while health-care workers earning as little as $180 or $200 a week have been forced to settle, under our antiquated laws, for increases of between four and six per cent.

If the increase that comes through is to be fair to doctors, it must also be fair to the people of Ontario. The fair increase given to doctors must define the limit. We believe that in the negotiations now going on, the government of Ontario should insist, as a condition of the new OHIP fee schedule for 1980, that the doctors bring a complete end to extra billing. That should be an unequivocal condition of our negotiations with the doctors of the province.

It is to that end and to return Ontario to one-price medicare that I am moving this piece of legislation. I am moving second reading of Bill 168.

Mr. Sterling: You might say I was opted into this particular speaking engagement. The honourable member who had anticipated speaking on this particular bill had to chair the standing general government committee this afternoon so, as I said, I was opted in. I do so with a lot of conviction.

Mr. Cassidy: Are you in favour of the bill? Yes or no?

Mr. Sterling: That is pretty easy to answer. There isn't very much to support in the bill, as far as I view it. I really am quite amazed.

I will have to look a little closer at the petition that was presented here by the NDP because I wasn't aware of all the problems that exist in my riding in relation to health care. I tell you, Mr. Speaker, there are probably few politicians in this Legislature who are in closer contact with the people than I am.

I know that at this time we are arguing with the Ottawa-Carleton Health Council to obtain a nursing home in one of the areas in the township of Osgoode, but that has no relation to this particular piece of legislation.

Ten years ago, this province enacted medical insurance legislation that was farreaching. It had five basic principles: universality, comprehensiveness, accessibility, portability and public administration of the plan.

The framing of this bill is an indication of a fundamental difference of opinion about the medical profession in Ontario. I think they have done, and are doing, a tremendous service for us today. It is obvious that this opinion is not shared by the third party.

In the last 10 years this province has undergone a great deal of change. Certain factors have remained constant, like our need for health insurance. Others have expanded, such as our population, obviously. Some have diminished, such as our spending power. All of us must reorder our priorities and programs to cope wtih the demands placed on our health-care system.

This government is committed to maintaining our health insurance system, in spite of what I deem to be an hysterical smear campaign launched in this province by the New Democratic Party. Okay, the system is not perfect, but we try harder every day. I think we end up with a great deal of success.

Let me outline the system because I really do fear that the members of the NDP have

come to their conclusions without really understanding them.

First, any person in this province can visit a doctor—any doctor—of his or her choice. Second, doctors may bill their patients within the health insurance plan or they may bill their patients directly.

The first paragraph of this bill says, "The bills submitted to the patients in respect of insured services cannot exceed the amounts that have been determined by the plan."

This government does not believe in this type of control. Basically, we don't believe our doctors should be civil servants. In the past, the government and the medical profession have been able to reach reasonable accord. Doctors have demonstrated high standards of professional service, which this government fully recognizes.

Since April 1 of this year no fewer than 38 million claims have been processed by OHIP and only nine per cent of these have been done on an opted-out basis. We heard the leader of the third party indicate that 18 or 19 per cent of the doctors had opted out, so it's interesting to note that only nine per cent of the billings are from opted-out doctors. In fact, there have been fewer than 100 complaints since the government and the OMA signed their agreement in the spring.

Mr. Conway: It is one thing to be McMurtry's lackey, Norm, but now to be Timbrell's as well.

Mr. Sterling: Mr. Speaker, I'm having a little difficulty speaking above the interjections here.

If insurmountable problems did arise this government would intervene to protect the interests of the people. But it is our opinion that this situation has not arisen, nor is it likely to because we and the OMA have a sensible and rational attitude towards health care. If this is such a desperate situation, why do we have today in Ontario 19 per cent more doctors than we had six years ago? Our population over that period of time has only increased by 7.5 per cent.

From time to time we hear a member bring forward a problem revolving around a single incident and such problems have been brought to this Legislature. I might add that there have been cases brought to this Legislature where names have been given but where patients haven't given permission to use their names, which I think is a questionable thing to do.

Do the opposition parties, or does the NDP really want to improve the system and solve individual problems? That party deliberately ignores letters sent to them by the OMA requesting that it be notified of such problems when they exist in their constituencies. The NDP ignores that service.

This bill would turn the government into the judge, jury and executioner of the medical profession. The Health Disciplines Act states—and I will read this portion: " It is the duty of the minister to ensure that the activities of health disciplines are effectively regulated and co-ordinated in the public interest, to have appropriate standards of practice developed and ensure that these are maintained, and ensure that the rights of individuals to the services provided by health disciplines of their choice are maintained."

No one, Mr. Speaker, can fulfill this mandate without the co-operation of all concerned groups. This bill would destroy any further co-operation as it has existed between the medical profession and the government of Ontario.

I am beginning to think, really, that the third party is truly upset that our health system is working as well as it is—and it is working very well. In fact, we continually have delegations from foreign jurisdictions come to our province to visit with our Minister of Health to find out about our system, because they think it is an example that should be followed in their jurisdictions.

[3:45]

Mr. Dukszta: Has it ever entered your mind to see why it doesn't work?

Mr. Deputy Speaker: Order.

Mr. Sterling: That certainly isn't the indication we get from most people.

Mr. Conway: Has the shah asked to come here yet?

Mr. Sterling: The shah has not been invited.

The ideas contained in this bill constitute a serious, misleading threat to the health-care system of our province.

The Ministry of Health is responding to long-term planning challenges. The demands on our health system are becoming greater. Perhaps the members have forgotten the period prior to 1969 when a government-sponsored health insurance plan did not exist. There was a need for a universal insurance system in this province and we believe that need has been met.

The bottom line of this debate is that the province is getting a damned good health-care system for its money. I only wish that the NDP would quit using the medical profession as a whipping person.

Mr. Stong: I rise to speak on this bill, not as a major speaker for my party be-

cause I will be followed by the critic, but as the first speaker with respect to some of the principles in the bill.

Bill 168 represents a hodge-podge of contradictory, inconsistent and confused principles. It undermines the principle of the Health Disciplines Act and it denies a basic freedom of choice to a very legitimate professional sector of our communities in Ontario. This bill represents the illegal governmental interference with an overregulation of a very necessary discipline. It represents only the beginning, in my respectful submission, of the NDP's intentional restriction of the freedom of all professional disciplines.

This member supports the principle that was enunciated by resolution in the Ruston plan, introduced by my colleague from Essex North (Mr. Ruston) and debated in this House in June. I might say that the bill before us goes far beyond what is legitimate and proper draftsmanship. It demonstrates either an ignorance of or an utter disregard for the acceptable and recognized principles of draftsmanship in legislation. It denies or it ignores the clarity of statement of principle; it denies or ignores the simplicity of statement of that principle; and it ignores the observation of the inherent rights and freedoms and protection of those same inalienable attributes.

Bill 168 goes far beyond meeting and dealing with those problems mentioned by the member for Ottawa Centre. It is therefore unnecessary legislation and inasmuch as it is unnecessary, it is bad legislation and it must not be supported. The bill is tantamount to killing a mosquito with a sledgehammer.

I might refer to a letter I received from the vice-president of the Ontario Medical Association and the branch in the regional municipality of York. He says, "This letter is simply written to reiterate my feeling as a private physician that I will be given the chance to continue with freedom in the practice of medicine in Ontario and not be a legislative civil servant. As a private citizen in Ontario I also reiterate the necessity for the Ontario Legislature to introduce more freedom in the health-care system and allow me, as a private citizen, to get 100 per cent physician-care coverage on an insurance basis, or at least allow insurance companies to give 100 per cent coverage.

"As you are well aware, at the moment only OHIP is allowed to cover physician services and legislation allows only 70 per cent coverage of that service. This, I feel, is a breach of civil liberties and should be corrected in the near future."

If we can refer to the bill itself for a few moments, I will demonstrate the confusion and the contradictions and inconsistencies of principles enunciated in that bill. If we look for a moment at section 1 of the bill, we notice it reads, "Where a physician or practitioner submits an account to a patient with respect of insured services, the amount charged by the physician or practitioner shall not exceed the amount payable by the plan for the insured services." The words are quite explicit, "shall not."

If we go down to subsection 4 of that section we come across the word "consistently," which indicates and recognizes the fact that the words "shall not" are not mandatory—are not in fact meaningful. In fact, there is a very inconsistent and confused principle between those two sections.

The member for Ottawa Centre also says this bill guarantees a physician's right and freedom of choice to opt out of the OHIP plan. He says the bill allows and does not interfere with that freedom of choice.

But when you read the bill, Mr. Speaker, you find that a physician who opts out and chooses to follow his choice can charge only a predetermined amount for his services—a predetermined amount which is consistent only with the plan from which he intends to extricate himself. Some freedom of choice; some hollow protection of principle.

If we look at the bill and deal particularly with the word "consistently," first, the bill does contradict the Health Disciplines Act. In that sense it is unnecessary; again, in that sense, it is inconsistent legislation. It sets up a professional misconduct for a consistent action.

What is a consistent action? Where is "consistent" defined in this bill, pray tell? When does it become consistent? The ninth time? The 10th time? The first time? Is it inconsistent if a person charges the same patient over and above the OHIP plan? Is it consistent if he charges two different patients different prices?

The bill is vague; the bill is inconsistent. The bill does not observe the recognized principles of draftsmanship. The draftsmanship is vague; it is indefinite and it is inherently discriminatory. The principles are contradictory. They are confused. For those reasons, we cannot support this bill in principle.

Mr. Dukszta: The New Democratic Party leader, in introducing Bill 168, documents the importance our party attaches to health care. The intrinsic importance of that bill is that the Ontario government has allowed physicians to opt out of OHIP in increasing

numbers until the foundations of our publicly-funded health-care system are threatened. The system is being destroyed by the collusive actions of the government, whose increasing right wing ideology, uncaringness, incompetence, negligence in the discharge of its public trust, and irresponsibility on behalf of working people, combined with mean-spirited, irresponsible and greedily organized medicine is leading to the destruction of the system.

There are three aspects to our party's historic concern for health care. First, we believe that health care is a right, not a privilege. All members of society have a stake in the health system. Consequently, quality health care must be equally accessible to all and all people must participate in making the decisions which directly affect their own health. In the same way, doctors must be put under some kind of control by the community at large and not left to their own devices.

Second, health and social services are part of the social wage, on the same lines as the money wage. Consequently, the fight for universal health care is a significant part of our party's struggle to equalize the distribution of wealth and income in our society. It is very important for all doctors to remain in OHIP, since for the one in five patients who goes to a physician and has to pay extra, it seriously affects his income, especially if he is on the lower wage scale.

The health-care system is also a business and a major component of our economic system. Ontario citizens must have a say in running this business and not allow private entrepreneurs, like physicians, to do what they feel like doing.

The implications of this are quite clear. The health-care system must be universal and accessible wherever one lives, of quality compatible with what is best and modern without financial barriers and the profits, if there are any, must belong to all Ontarians and not to the few physicians or American corporations that provide us with health and hospital supplies.

When we look at the whole health-care system, we have to look seriously at the role of the physician, since the bill really deals with that more than anything else. There are two aspects of the role of the physician. First, I would like to deal with the way in which the physician plays a major role in the general delivery of health care and, second, at the way the physician is paid.

Under the present system, the physician is paramount in our health system and plays a very significant role. He will always play a significant role because he has been trained to do a particular role. In our party's updating in a new and more modern proposal for restructuring Ontario's health-care system, the physician will play a role only in co-operation with other health professionals. It is really idiotic of us to say the physician is the only person who delivers health care in our system. There are a number of other health professionals who share co-equally in that responsibility in terms of health care. Because of a distortion in the system of paying physicians, we concentrate only on physicians. The role of the physician at the moment is that of someone who is in charge of the system, whereas we must move to a physician's being a part of the system and a part of the team.

The second part that is important is that a physician gets paid quite differently from all other health professionals. A physician gets paid a fee for service, which is a system which has its own problems. It's a traditional method of payment to the physician. Unfortunately, the behaviour of the provider, which in this case are the physicians because they are almost the only ones who get paid on a fee-for-service basis, is biased towards overservicing.

Before universal medical insurance, the penury of a large portion of people acted to limit demands on utilization of medical services. Since then, however, the number of services has gone up sixfold in the last 15 years. It is the fee-for-service system which rewards overservicing done by physicians.

It isn't the patient who demands more and more service. Quite often, the patient does not know what he needs, so he consults a physician. It is the physician in his position as a provider who, in effect, decides what kind of service the patient will get or not get. It is the physician who, because he is rewarded by fee for the service provided, tends to repeat service after service and produce the overservicing. Most of the time people will say it is the patient who does it, but actually it is the physician who does it. It is related directly to the fee-for-service system.

There are other ways of dealing with it. One of the major disadvantages of fee for service is it is probably the main cause of the present excessive number of unnecessary surgical operations performed in our province. Someone once said Canada doesn't lead the world in many things but it most definitely leads the world in unnecessary surgery. It may be related to the behaviour of our

physicians in the sense of overservicing and also to the way they get paid.

There are other ways of paying a physician which are much better. If we move a physician towards being a member of the team, it is illogical for a physician to be paid so differently and so much more than other health professionals. I base this argument very simply. When one looks at a situation where a number of people are involved in providing health care to an individual, it isn't the physician alone who does most of the work.

[4:00]

In hospitals, very clearly, there are nurses, social workers, lab technicians, X-ray technicians and a whole support staff that provide health care. Only physicians make that claim and only the physician gets paid as excessively as he does at the moment. When I say "excessively," note the physician gets paid four times as much as the composite industrial wage and his income has increased progressively since the introduction of the original insurance scheme. It may be a little less now than it was a couple of years ago, but it is still significantly higher.

It is that increase which is so distorting in terms of the relationship and the direct provision of health care by the various health professionals. We must move out. One way of doing it without moving towards the general destruction of the system is paying physicians either a capitation fee or a salary or a combination of ways. This party is committed to a multiple approach paying physicians. At the moment, we're saying physicians should only charge what OHIP will pay. If physicians are allowed to be paid more than OHIP would provide, if they are permitted to charge whatever they want, they will destroy the universality of the system as well as any attempt to control the course or the co-operativeness of the health professions.

The physician must, in effect, be stopped at the level OHIP now pays, which is quite generous.

We should look at the role of the physician and consider what was said in the letter read by the member for York Centre about freedom of action as a physician. I am a great believer that physicians indeed must have some freedom in terms of clinical decisions, but even then, the other people who participate in the provision of health care, including the patient, must have a direct input into what kind of health care they get. On the whole, a technician—and that's what a physician is—can be trusted, at least within the limits of delivering health care, to make a good clinical judgement.

I see no reason why a physician should, at the same time, be able to make a decision about how he should be paid and how much he should be paid. That amount would seem to be as much as the market can bear. That is what the parties mean. The physicians who cry all the time about the free-enterpirse system and their freedom to perform, really are crying to be free in the sense of monopoly of the delivery of health care and how they get paid.

Not since Louis XIV controlled the salt trade so completely in France has there been such a group as the physicians of Ontario, who totally control the delivery of health care.

I would like to conclude by saying—

Mr. Acting Speaker: The honourable member's time has expired.

Mr. Dukszta: Let me just conclude with one sentence. I am a physician, a member of organized medicine, and I wish my co-workers would wake up to the fact that they are being greedy more than anything else. They should realize their responsibility to deliver good clinical health care to Ontario residents.

Mr. Jones: Mr. Speaker, I am saddened to hear the comments by the last speaker, the member for Parkdale. First, he feels so many of his colleagues are greedy. I don't think that's a word I would want to see applied to doctors and those who deliver the wide range of health care in this province.

I am also shocked and upset to hear he took issue with the letter from a doctor read by the member for York Centre, when he spoke about something as basic as freedom and as we in this debate discuss it relative to the bill before us.

Above and beyond that, I am deeply distressed about the increasing attacks against our health-care system in the last two or three months and the charges and the accusations hurled across this House. They represent a threat to those beyond the daily politics in which all of us participate and observe in public life.

The people of Ontario are being given the impression—and, I submit, an unfounded impression—that our health-care system somehow needs to be saved. From what? It needs to be saved from the fabrication of the opposition, particularly the third party. We in Ontario are in the enviable position of having many excellent, natural human resources to draw on. There have been significant advances made in medical technology and public health and we here in Ontario have been a leader with the system we operate and

under which we have those services delivered to us.

We have become entranced, I suppose, with the sophistication and growth of research and diagnosis. Things have come a long way since the days when needles were used over and over again. Doctors have achieved a high regard in the community and we are lulled into thinking our limitations as physical beings might be solved by a shot, a pill, an x-ray or some new wonder drug.

I don't wish to undermine the importance of these developments, but they have come at a cost. It is a cost that most of us realize we have to pay. Compared to our neighbours to the south and people in other jurisdictions in the developed world, we have it pretty good here in Ontario.

What do we really expect from our health-care system? What happens when it doesn't live up to our expectations? What price are we willing to pay? At the same time, can we ignore our responsibility to look after ourselves? These are only some of the questions that are being asked by health-care professionals and the people of Ontario.

How do we go about meeting these high expectations in a way that is fair and equitable to the majority? We assist our senior citizens, the handicapped, the medical students, the hospitals and others. This province devotes 28 per cent of its budget to health-care financing and planning.

It is a system in transition, and the changes we are making now will serve us well in the future. There will always be cases in dispute between a doctor or a patient and the structure designed to facilitate health payments.

However, to use isolated cases—and we heard that again from the leader of the third party when he referred, in his opening comments in the debate, to a particular case outlined by someone in the Globe and Mail. I suggest there is a danger in using isolated cases as proof that the system in total is faulty when millions upon millions of doctor and patient claims are successful. It is deceptive and irresponsible.

Mr. Cassidy: Three million were double-billed by doctors in the last six months.

Mr. Jones: I heard the numbers the member referred to. He took a percentage of the total. No one will deny they are large. But when he takes a system that size and tries to point out individual cases, I say it is deceptive and I say it is irresponsible.

The members of this House are well aware of the government health-care policies. They pretend not to be, but I know they are. They are also aware that the hospital administrators, the doctors and the nurses are doing their level best to find new ways to adapt to the changing demands of patients. In the midst of this fine work, members of the opposition—particularly the third party with its present little vote-getting cause—are doing their darnedest to incite a conflict where in fact it doesn't exist.

Ontario is fortunate in having skilled doctors. Like all individuals in this society, they have the freedom to practise their profession when and where they wish. The member referred to the fact that 82 per cent of the doctors in this province are within the OHIP system for their services and many of the remaining doctors bill OHIP through billing groups. The doctors and this government are concerned that everyone gets a fair deal. Let me repeat that. Both the doctors and the government want everyone to get a fair deal.

There sits our Minister of Health who works untiringly towards that design and the member wants to make it a political issue and ignore the fact that millions and millions of people are served every day so very well by the system we have in this province under this government.

What is beyond me is the idea that a group of professionals, any group, should always be required to bill a specific amount for its services. There is no question we get what we pay for in life.

I listened to the leader of the third party's debate with Mr. Gilbert on a phone-in show; they had a debate at great length and the member acquitted himself well, I say to him, except again some very glaring holes became clear and that's the issue of this bill we have in front of us today. The bill asks us to make it law that "the amount charged by the physician or practitioner shall not exceed the amount payable by the plan for the insured services." By implication, the opposition is tarring and feathering every single health-care professional in this province and this government is not prepared to work with any group under those circumstances and conditions.

Efforts are being made on all sides to negotiate fee schedules as equitable as possible. A panel consisting of three members of this government and three representatives from the Ontario Medical Association is currently at work in assisting both parties to reach a fair fee schedule. That is an example of desire by this government for co-operation, not conflict.

The government is taking steps to control health-care costs and we have all been involved in those debates. The drafter of this resolution was very prominent and active

in those debates that took place in the social development committee of this Legislature. We all addressed them.

The leader of the third party alluded to almost an implication that this government was going back to institutionalization and it wasn't going in the direction to meet the increasing needs of clinics and grass roots health care and that is not so. Members from all three parties very clearly endorsed that direction and we have seen evidence of it by this government and this minister as they are moving very directly there.

In the Lakeshore debate, we saw all of that focus by members from all parties and we have seen the evidence in the funding and the mechanism taking place.

Mr. Cassidy: Who closed the St. Catharines health clinic?

Mr. Jones: Again, there we go identifying certain examples for the specific purpose of the debate and overlooking the overall system.

We have the leader of the third party come out with these inflammatory ideas, at the same time ignoring the enormous costs involved and I found he had a lot of trouble with that in his debate on the recent radio program. They make it sound like a cut-and-dried issue, as though they have our best interests at heart.

Strong-arm tactics are what he is proposing. They are not the answer. Everyone in this province has an opportunity to see the doctor of his or her choice. In this province no one will be denied medical treatment that he or she requires.

Our health-care system is already beginning to adapt to changes and challenges of an aging society, for example. No doubt the number of OHIP claims will rise and so will the costs, since the elderly do tend to require more costly, long-term care. Doctors will also have to adapt to these changes. Our ability to meet these challenges rests on flexibility not rigidity. We have an obligation and a desire to encourage and develop the medical resources at our disposal. If we keep burying this initiative in a mass of legislation—yet one more piece being proposed today by the NDP—and regulation, then we are doing no one a service.

This is not, and will not become, a do-or-die situation that forces our medical community in this province to impossible decisions.

Mr. Acting Speaker: The honourable member's time has expired.

Mr. Jones: Yes, Mr. Speaker. Coming from a riding such as Mississauga North, where we recently had our medical system all come together to answer a very large need, I saw it exemplified in an example where I resist the suggestions and attacks that keep continuing to come from that third party for political reasons, so I oppose this bill and urge all other members of the Legislature to do so too.

Mr. Conway: It is with interest that I rise to participate in this particular private members' hour. I have noted with some degree of interest the concern, the awareness and the agitation, justifiably so, on the part of organized medicine in this province over the last few weeks with respect to Bill 168. Someone, somewhere, has very consciously generated this interest, in my view.

[4:15]

Quite often in the past few days I have been approached by my colleagues in the official opposition saying that while they were home on the weekend they had been approached by the leadership of the local chapter of the Ontario Medical Association—a leadership which was vitally interested in and concerned about the disposition of private members with respect to Bill 168. It became clear to me in this matter, as it has become clear to me in other matters recently, that this interest was carefully and knowingly generated. As far as I am concerned, that generation was, and can be, traced to the Hepburn Block and to the minister himself. The tentacles of that most political of ministries stretch out across this province in 1979 in an enthusiastic, partisan, vigilant fashion. I only hope that in the final analysis those tentacles don't recoil to choke and strangle any prime ministerial ambitions that may be resident in the Hepburn Block these days.

What was most concerning to me was the expression put by many doctors to myself and others that the government and the minister felt it important that it be understood that they could not give any assurance that this particular bill was going to be vetoed as is their regular wont in this particular part of private members' hour. Well, we shall see what we shall see.

I shall listen with great interest to the actions of honourable members opposite when the time comes for the roll call on the first of the questions which you, Mr. Speaker, will put. I remember well the disposition of the government on June 21, 1979, when the resolution of my good and honourable friend from Essex North (Mr. Ruston)—dealing with another aspect, another approach, to this particular matter of the remuneration of

doctors in this province—was being dealt with in private members' hour. I shall look with great interest—and listen with greater interest—to the honourable members opposite at a quarter to six this evening.

What of the Lawlor bill? What can we say of Bill 168? Well, there's no question, Mr. Speaker, that politically it is an overt declaration of war on the medical profession in this province.

Mr. McClellan: Who wrote your speech? You didn't write it.

Mr. Conway: I am serious. Just listen.

Mr. Acting Speaker: Order.

Mr. Conway: There is no question, Mr. Speaker, that, politically, Bill 168 is an overt declaration of war on the medical profession and I think we have to reflect briefly upon one very important experience where the principle of Bill 168 was entered into by a government.

I call to your attention, Mr. Speaker, and to honourable members gathered here this afternoon, that—in terms of the essence of Bill 168 and I think the facts support it—this particular principle was the basis of the first initiative of the Douglas government in the Saskatchewan jurisdiction in the early 1960s which led to the very famous medical strike we all know about.

Clearly, the principle of Bill 168 is that if it is passed opting out for purposes of extra billing will become illegal.

I, like my colleague from York Centre, found it interesting that the bill goes on to suggest—and I think, notwithstanding what was said by the member for Parkdale, whose ideological consistency on these matters was maintained today—that this particular bill in that particular section is very serious. Not only does it suggest in the first section that opting out for purposes of extra billing become illegal, but then, in a confusing, redundant fashion—and if we wished to be picayune about it we could probably have the bill ruled out of order on that account—it suggests that opting out for purposes of extra billing, if consistently entered into, is professional misconduct.

That certainly is a contradiction of what is stated early in the bill, but it's more than that, Mr. Speaker. It is a sad comment on the good and honourable member for Lakeshore (Mr. Lawlor) who, as a very distinguished member of the bar, knows just what he is talking about. I have come to have a great deal of respect for the member for Lakeshore. I have listened to him speak eloqently in many committees about the rights of citizens in this province. For any member of the bar, much less any member of this House, to suggest that something is illegal or that it is misconduct if it is consistently entered into is, I think, an extremely important point to make.

If the honourable members opposite wish to draft a bill of some consistency and some clarity on this particular issue, then certainly I might be prepared to listen to a second debate.

What then is my position on this particular bill? For the reasons I will give, it is not acceptable to me. I feel, and I feel very strongly as one member of this assembly, that, as gatekeepers of the health-care system, doctors are an exceptionally important part of our health-care system. At present, as traditionally, they are an extremely powerful political force. I agree entirely with that great right-winger from the United States, Milton Friedman, who said many years ago that organized medicine was "the most powerful union in the United States," or words to that effect.

I think, generally speaking, doctors are well paid. Many doctors are very well paid. I have said, and I repeat here now, we must make it clear that medical degrees are not automatic tickets to six-digit incomes. What then is the view with respect to present negotiations?

I reject the wage control being offered selectively by the members of the New Democratic Party. I reject it out of hand. I certainly think it important for government to negotiate a fair and reasonable fee. On the basis of my many months of experience in these matters of health care, I suggest—and I only suggest—to my colleagues on the left they might look at the debates of June 21, 1979 to see what the absent member for Oshawa (Mr. Breaugh) had to say about the principle of opting out. I suggest they read the record of that debate and others to find out just how consistent their position has been with respect to that principle.

I accept now, as I have always, that doctors should have a choice as should consumers in this province. Doctors should have the right to opt out if they so choose. Consumers and patients in this province have a like and corresponding right; that is, the right to medical services at the government rate.

Quite clearly my suggestion in this connection is let the government negotiate firmly but fairly with the medical profession. Let the government for the first time stand up and argue that it is not going to have the health-care system deteriorate in this particular regard. If some doctors want to opt out and we cannot make any accommodation with them, then I must say there are alternatives to the particular bill in question. I make

no apologies, speaking in terms of the collective bargaining process, for the fact that the resolution of the member for Essex North is more attractive to me than the kind of Draconian warfare proposed in Bill 168.

Let there be no mistake about it—and I say this without qualification—in my view the best possible option is, as the experts would say, to buy the system closed. That is the most positive and the most sensible way in which to approach the problem—to have government put sufficient funds into the system to bring enough doctors back into the system so we can proceed without the kind of opting-out threats that presently exist. That certainly, for me, is the optimal situation and the optimal resolution.

Mr. Acting Speaker: The honourable member's time has expired.

Mr. Conway: I want to make it very clear that I feel very strongly such an attack as is being proposed here in Bill 168 would do this province and the consuming public substantially more harm than good. If government needs management tools that need to be applied to these kinds of discussions, then I suggest June 21 as a more attractive alternative.

Mr. Makarchuk: I rise to support the bill and to make a few comments about what is really a great problem in our province at this time. When the member for Mississauga North (Mr. Jones) says that we are ignoring the facts, I'd like to point out to him that he obviously hasn't been talking or listening to the people either in his own riding or anywhere in the province.

One of the things the patients say they are concerned about when they go to visit a doctor now is whether there will be extra billing or double billing, or whether their visit is going to be taken care of out of OHIP. It is an area of great concern to the patients at this time and it is an area that is resulting, in many cases, in patients being reluctant to go to doctors because they fear they will have to pay extra.

The net result of that of course is that they put off a situation that perhaps could be prevented, or a situation eventually becomes serious. Then the costs go up; the whole cost of services to the province, taxpayer and everybody else increases because of those situations.

I'd like to point out that it says there's no conflict in the health-care system. I suggest, again, that what the minister should do is talk to the health-care workers. Obviously, he hasn't talked to any of them. Talk to the doctors, nurses, physiotherapists, occupational therapists and lab technicians; find out if there isn't really any conflict and isn't any care in there.

There is an element of great concern among all those people about the way the health-care system is going. In many cases, they work and operate in an element of uncertainty and fear. They can see programs being shut down and they will appear on the government's doorsteps as a lobby or as a group wondering why the government is doing this. As an example, why are they shutting down an occupational therapy department in one area? Why are they dismissing certain people?

You hear of specific situations, Mr. Speaker. The other day the paper reported corridors crowded with patients, et cetera—places where people are not receiving proper treatment. Further than that, the big tragedy in this situation is that almost every day in Ontario there are situations where people are not getting proper treatment. In some cases it results in death. I repeat, in some cases it results in death.

If an individual has an accident on University Avenue, the chances are that the individual will survive. If the accident happens in Orillia then the individual does not survive. Those are the kinds of problems that exist in the health-care system.

To say that there's no conflict in there, or that there's no concern in that system—those guys opposite don't know what they're talking about. The tragedy about it is that they're supposed to be dealing with it; they are the people who are supposed to be involved with this and administering the system.

I want to point out that there's no question the problem has to be negotiated. The doctors should negotiate—I think they have the right to negotiate—what a fair deal is, what they should be paid for their services. The ministry should be responsible for the negotiations and for the fact that perhaps certain groups of physicians are getting paid less than other groups of physicians, or some physicians are making or charging too much or are getting too great a percentage of the health dollar in relation to the services they perform. I don't think there's any argument about that point.

Because the doctors are put on a figure, or they're limited in what they can charge, the implication is that if one pays more, he'll get better medical care—or something of that nature. As the member for Mississauga North said, "We get what we pay for." That's nonsense.

[4:30]

The point is, Mr. Speaker, we have doctors in Ontario who are working on salary. All our medical officers of health work on salary. We have doctors in various provincial institutions working on salary and they are doing a damned good job. They are not double billing; they are not triple billing. Their pay is fixed. It's not related to the services they perform or the functions they carry out and they do both damned well.

The relationship to pay has nothing to do with the health-care system delivered. If there is a commitment to the health-care system, it will be done.

I suggest some of the members talk to people from the United States. I remember having some discussions with them about a situation, as an example, in New York. Two patients are brought in, one 39 years old and the other about 72. They had one space in the cardiac-care unit. They did a credit check, found out who had the money and that's the person who got the treatment. As it happened, in this case the elderly citizen got the treatment and the other man died.

Is that what the members want? Is that the direction in which we're going? Is that the kind of health-care system they want to bring back to Canada? If we allow this double billing to develop, that is exactly what is going to happen.

Mr. Acting Speaker: The honourable member's time has expired.

Mr. Makarchuk: Mr. Speaker, in concluding, I wish to say that health care should be provided on the basis of need and not greed and I suggest that we support this bill.

Mr. Cassidy: I thought we would hear from the minister, Mr. Speaker.

In conclusion, I thank the members for their contribution in the debate. I am disturbed, I must say, by the contributions from the Liberal Party. I had thought at one time the Liberals were committed to saving medicare and ensuring that the principles brought in by a federal Liberal government 10 years ago that medicare be available on uniform terms and conditions to every citizen of the country of Canada would be respected here in Ontario. The Liberal Party has flipped away from that principle in this debate, Mr. Speaker. The Conservative Party was reluctant to go into medicare in the first place and the debate today indicates it has not changed that original opinion. The Conservatives are not prepared to stand up firmly and ensure that every citizen in the province has equal universal access to doctors' care, which we think should be provided at one price in every corner of Ontario.

Mr. Speaker, I hope that this House will endorse this bill and will support it unanimously.

Mr. Acting Speaker: The time for debating this bill has expired. Pursuant to standing order 28 the member for Scarborough West (Mr. R. F. Johnston) has given notice of his dissatisfaction with the answer to his question given by the Minister of Government Services (Mr. Wiseman) concerning the development of property east of Bay Street in the city of Toronto. This matter will be debated at 10:30 p.m.

AGRICULTURAL PRODUCTION

Mr. Hodgson moved resolution 38:

That in the opinion of this House the government of Ontario should consider the initiation of a study of intensive food production technologies with a view to introducing appropriate programs based on a goal of long-term food self-sufficiency and sustainability of the agricultural sector.

Mr. Hodgson: My intention in putting this resolution forward was to ask the honourable members of this House to give some thought to the long-term picture for our agricultural community in Ontario. I would like to set my remarks this afternoon in the year 2000. What do we see ahead for agriculture as we go down the road to the end of this century? What are our food needs?

One thing is for sure, Mr. Speaker, the world is going to need more food. We in Ontario are lucky to be a major producer and one of the few countries capable of producing a surplus of food over and above the needs of its own citizens. Only the United States and Australia can claim that distinction, along with Canada.

The global outlook in our food production is a very important perspective to consider. In spite of the best efforts of our farmers and agrologists, and those of many countries, many people in the world have diets which are nutritionally inadequate. We know the result—widespread human suffering. This serves certainly to aggravate world political instability. Thus, Canada's role is clear.

This role is to ensure, over the long haul, an adequate, balanced food supply for our people and, at the same time through our foreign aid programs of food exports, not only do we help feed the hungry but also teach them to feed themselves.

There is a growing dependence on North America to make up for the shortfalls of world food production. Indeed the needs of the future are great. Canadians must be prepared to meet them.

As most of the members know I'm a farmer. I have operated a successful dairy farm in the Kettleby area for over 30 years —I say successful because I have managed to have three of my four children go to university. For the last few years, my eldest son and I have been operating a calf-cow operation. Four weeks ago there seemed to be more money in selling the cows and calves than in keeping and feeding them, so today I'm not a farmer any more—as far as the calf and cow operation is concerned.

One development in the process impacting heavily on agriculture is that of energy price increases. The result is that everything else is going up in price. Think about it for a moment, if you will.

One thing we are facing in agriculture right now is that progress will have to be made without the reliable flow of inexpensive oil. This situation has been made dramatically more evident in recent weeks by the well-publicized events in Iran. By the way, I would like to take this opportunity to express my full support for our neighbours in the United States, as they come to grips with the situation in Iran and the tremendous affront to their national dignity presently taking place in that country.

Agriculture is an energy-intensive industry. Farmers are using larger tractors, combines, trucks, harvesters—all these items consume energy. They depend on a steady input of fertilizers, most of which is derived from petroleum feedstocks. Every phase of farming and food operations today depends on a precarious and depleting source of energy. To ensure efficient food production, our farmers will have to adopt energy-conserving techniques, the same as all society must do.

I urge this government to give as much emphasis as it can to the research and development of the full mix of alternative energy sources and energy-conservation technology. One possibility that must be surely considered as being viable is for us to produce larger quantities of so-called "synthetic" fuels from agricultural wastes. This applies also to the possibility of developing fuels from crops specifically cultivated for their value as a fuel energy source.

There was a rumour when I used to go down to Haldimand-Norfolk that that area around Nanticoke was going to grow corn to produce gasohol, a substitute energy fuel. There is quite a possibility in that statement —farmers growing energy sources.

Other possibilities are the potentially large amounts of clean energy available from urban wastes. Biomass undoubtedly will become a major energy source in Canada.

I expect a great deal of our lower quality arable land, and possibly much of our forests where, for one reason or another timber and pulp operations are not feasible, could provide an abundant harvest of low-grade cellulose for energy production. In the event of a really drastic cutback in Ontario's oil supply, our farmers would have to have priority in any gas rationing system. Experience in the United States has shown they were operating against competing interests in such a situation.

I have one further point on energy. Surely by this time it would be profitable for the natural gas distributors to install gaslines at least in our more concentrated agricultural areas. I can think of the Holland Marsh, which is a couple of miles from where I live and where there are about 10 acres under greenhouses. At the present time I doubt very much, with the price of fuel oil and energy to heat those greenhouses, whether they will even be operating next spring. It was very unprofitable for them last year. They have to have these greenhouses to produce early seedlings of lettuce, celery and so forth in the spring for early planting.

I would like to see our natural gas distributors produce a pipeline into areas where there is a concentration of farming as there is in the Holland Marsh area. It's not too far away, but residents there haven't heard of any move at the present time. I would urge the Minister of Energy (Mr. Welch) to urge these people to put them in so we can have a cheaper energy supply in areas like the Holland Marsh and elsewhere in the province.

I would like to move on to intensive food production technology. When I say intensive food production technology, please let me explain more precisely what I am referring to. Perhaps observations from my own life will serve to illustrate this.

When I came to the Holland Marsh area 25 years ago it was just being brought into production. Then 100 to 150 bags of onions per acre was considered a good yield. Through good farming practices and a lot of help from the Ontario Agricultural College with sprays and fertilizers, it's nothing today to have a yield of 1,000 bags of onions to the acre. That's what I mean by intensive food production.

Not so long ago, as I mentioned, I was a dairy farmer. We used to have yields of 25,000 pounds of milk per cow. They were world champions in those days. It's nothing for our good herds of dairy cattle today to produce

that much and more at a herd level and not from one particular animal. As I mentioned before in my opening remarks, the government should set up a committee to investigate a concentrated and intensive food supply.

In talking about the fantastic improvement in yield, compared with the rest of history the past couple of decades are watersheds in agricultural productivity. New hybrids and fertilizing techniques have been developed which have changed the entire practice of farming.

I believe we have to face the challenge of upping our overall agricultural productivity far more over the next 20 years or so. I certainly promote the use in some way of all the present unproductive class 1 and 2 lands on the fringes of our cities. One doesn't have to drive too many miles out from where we're sitting here to see it.

[4:45]

Right now there is agricultural land not being used. It has changed a lot in the last three or four years. There is more land under production than there was three or four years ago on account of the new assessment practices of the province of Ontario, whereby if the land is not farmed it is assessed as either residential land or development land on which the developer, or whoever is holding the land, has to pay more money.

Mr. McKessock: With houses sitting on it.

Mr. Hodgson: That is what I am talking about. I would like to see all this land in production so there is no problem as far as supplying the needs for food in the province.

The main point I would like to talk about this afternoon is the possibilities in our greenhouse industry. One of the most intensive forms of agricultural practice in Ontario is our greenhouse industry. Eight months a year Ontario relies heavily on imported fresh agricultural produce in order to meet our domestic requirements.

This fact, coupled with the rising costs of transportation, has created an excellent opportunity for the expansion of the Ontario greenhouse industry.

Canada imports over $100 million worth of vegetables each year. Such a heavy reliance on imports results in a lack of security of supply of fresh fruit. It also has a negative impact on our balance of trade and reduces employment opportunities in Ontario.

The single most important restraint to the growth of the greenhouse industry in Ontario is the rising fuel cost for heating greenhouses. Ontario has developed, demonstrated and implemented the appropriate technological advancements aimed at reducing the negative effect of rising fuel costs in the greenhouse industry. Ontario presently has 570 acres under glass, plastic or fibreglass. Heating one acre with gas or oil costs the greenhouse operator between $30,000 and $40,000 a year. Agricultural research is attacking the problems in several directions. Research is currently being carried out under the auspices of this government, which is examining methods of saving energy and reducing the heating costs of our current greenhouse stock. Thermal curtains, end wall and side wall insulation, double glazing and air-mixing systems of solar heating have a potential to sufficiently reduce the operating costs of the greenhouse.

In order to increase the greenhouse share of the market, the entire greenhouse industry must be revamped in the near future. The constant increase in energy and the dwindling supplies of fossil fuel demand this.

Some of the more avant garde designs incorporate many energy-saving innovations. These include full utilization of potential southern exposure and maximum elevation of the sun. Insulating the back wall on the north side, with reflecting material on the inside of it, can reduce heating losses from the exposed greenhouse surface.

Other energy-conserving measures are night covers, additional ventilation equipment and use of heat storage below the soil. Utilization of waste industrial heat for greenhouses has been the most promising of the alternative energy systems under development at the present time. Two main areas currently being examined are the utilization of waste heat from oil refining operations, and utilizing of heat from Ontario's electrical generating facilities.

Ontario Hydro is conducting trials at the Pickering nuclear power plant and the Bruce nuclear station at Douglas Point. Some very impressive statistics have been released on the Bruce greenhouses. Figures released earlier this month point out that 20,000 cucumbers and 20,000 tomatoes have been harvested from three quarters of an acre since August 1. Cucumbers were first picked just 24 days after they were planted and tomatoes 56 days after planting.

The Bruce B site can potentially be expanded to about 600 acres of greenhouses serviced by eight units, while Pickering A and B could provide enough heat for over 300 acres. The two projects would together be capable of growing enough tomatoes to replace about 25 per cent of Ontario's present imports.

The experimental greenhouses simulate the use of moderator cooling water from the

generating station being piped into the greenhouse. Hydro would build the pipeline to recover the cost through charges for the water. In turn, the greenhouse operators would have a very reasonably priced, reliable heating source.

The same principle can be adapted for use in other large industrial complexes in Ontario.

Mr. McKessock: How come they took that hot water 12 miles before they built a greenhouse?

Mr. Hodgson: Just listen to me and I might be able to tell you.

Texaco Canada, with the assistance of the University of Guelph, will be examining the possibilities over the next two years of using Texaco's Nanticoke refinery to supply heat to about 100 acres of greenhouses. Texaco has supplied funding for the experimental greenhouse which, if expanded to 100 acres, would cost Texaco $40 million to $50 million to construct. The greenhouse could grow not only tomatoes, but also cucumbers, lettuce, peppers and perhaps even strawberries.

Full development of the Ontario greenhouse industry could make Ontario self-sufficient year round in many vegetables. The impact on our economy, on our trade deficit and unemployment levels could only be favourable to the people of Ontario. Ontario and Canada need this type of innovative agriculture in order to remain one of the world's leading agricultural exporting nations.

Something like 40 per cent of the millions of dollars worth of food we import every year into Ontario could be grown in Ontario if the right technologies were applied.

Stability of markets and adequate return on labour and capital investment are essential for our farmers. We must continue to do all we can to promote the consumption of our own products.

The Foodland Ontario program of the Ministry of Agriculture and Food has had good results in obtaining co-operation from the supermarket chains. Supermarkets have supplemented this effort with advertising and point-of-purchase promotion. I believe, with a bit more educational effort of this sort, our consumers will relearn the pleasures of enjoying Ontario fruits and vegetables in season. More important is the potential effect on our farmers' income stability and motivation.

Mr. Speaker, in addition to all the research that is done and all the public information programs that are undertaken, the primary reason for increase in production lies in the market. Conversely, uncertainties of the market—instability in demand for commodities and in their prices—is probably the most important constraint on increased production.

Instability in production, prices and farm incomes have long been a familiar pattern. They have been tremendous disincentives in many cases, and I applaud the move of the federal government and the government of Ontario to alleviate the burden. Farmers benefit from being able to move to more efficient production methods. Consumers gain from more stable food prices.

In conclusion, I would like, as I am sure every member in this Legislature would, to see farmers get a reasonable reward for their labour and a reasonable return on their investment. Motivation is the key.

Mr. Riddell: I wish time would permit me to respond to the various points made by the member for York North, but I am going to confine my remarks to the intensive type operation we should see more of, such as greenhouse production. Really, we can't get much more intensive than we are now as far as crop production is concerned and as far as livestock production is concerned. We have the potential in Ontario and in Canada to produce far more food than we are producing at the present time, but the fact of the matter is we don't have the markets.

The honourable member indicated it would be nice if we could send food over to those parts of the world where people go to bed hungry every night. But if we listen to agriculturalists and economists talk, they say that is not the answer, that we shouldn't send food over and deprive the people in those countries of their jobs. We must remember that in many of those countries agriculture probably provides 80 per cent of the jobs. They say we shouldn't send food over and deprive them of these jobs, and that what we should do is send over the technology and the agricultural experts who will help them to help themselves.

This resolution, as I understand it, is encouraging the government to initiate studies which would be concerned with the long-range view of agricultural production in this province. The second part of the resolution calls on the government to introduce programs to provide for food self-sufficiency.

Food is, and will continue to be, the first priority for everyone in this province; however, I believe there has been a general lack of commitment and direction to agriculture by this government. In the next decade a strategy for agriculture will be required. If farming is to remain healthy and profitable in the future, and provide the bountiful supplies of food Canadians have become accustomed to, then agriculture will have to undergo many changes.

We are in a new ball game today. We are faced with dwindling fuel supplies at burdensome prices, higher input costs, uncertain markets and a chaotic economy. There is no doubt our farming practices today, with increasing use of pesticides and the ongoing substitution of capital for labour, have been based on relatively cheap and abundant energy. In fact, the availability of cheap energy helped to increase the average size of farms, and in the process has reduced the number of primary food producers.

There are growing concerns today that we cannot continue indefinitely our current mode of farming. Some people believe we will have to revert to small farms in order to implement ecoagricultural practices. Others say present-day farms can be properly managed with crop rotation and soil conservation practices which will make them more ecologically sound than in the past. Still others believe advanced technology will allow us to continue our energy-intensive ways.

Without proven alternative energy sources in place at the present time, due, I suggest, to government neglect, there is no doubt the scramble for a share of the world's dwindling oil supplies will overshadow all other concerns of farmers in the 1980s. On-farm petroleum use accounts for only three per cent of Canada's total energy consumption, but it's a critical three per cent. Fuel supplies for farm operations must be portable and easily stored. Petroleum is the only available energy source that fits the bill so it's imperative that food production receive top priority in the event of an oil shortage.

Availability is only one aspect. Price is equally crucial. Reports of fuel prices jumping by over 40 cents per gallon at one time makes farmers shudder. It is an additional direct increase in the cost of producing food, but it also strengthens our belief that a much greater commitment needs to be made to develop alternatives. We just can't avoid the fact that shortages are going to occur, likely within the next decade. Alternate sources of energy—solar, biomass and wind—won't be feasible in time to fill the gap.

When it comes to pioneering these new energy frontiers, farmers are in the forefront. Many farmers in the province are experimenting with solar heating, fuel from biomass and other forms of renewable energy. It is time government gave more than moral support to these initiatives. Funding and assistance should be provided for this practical on-farm research. Between them, the federal and Ontario governments have committed $58 million for development of renewable energy over the next five years, but there is little evidence of the massive support needed to get our country through the impending energy crisis. What is perfectly clear to me is that we will require increased research on energy and its position in agriculture. For this reason I am supporting this resolution.

[5:00]

We cannot ignore today the prospects of constant energy shortages, line-ups and higher prices. The energy problem has brought to light for us the foolishness of relying on food from other countries when we could produce the food here. As the costs of transporting imported food grows, so also will the rest of our dependency on this food grow. We are far from the point of self-sufficiency in food in Ontario and in Canada.

However, accompanying the initiation of intensive food production technology will be problems the government cannot ignore. A perfect example is the government's attempt to explore the use of nuclear-produced waste heat for heating greenhouses near reactor sites.

Those farmers already in business with large investments have received no help in their present locations down in Essex county. Escalating energy costs have exerted extreme pressures on the profitability of many greenhouse operations to the point where many have had to close down. Surely it is incumbent upon this government to research new technology for existing greenhouse operations, rather than devote all its attention to the possibility of using waste heat from nuclear power plants.

I contend that the government is not as interested in looking at more intensive food production technologies as it is in producing and selling more nuclear power. I would hope the government would listen to the member for York North and take a look at more intensive food-producing technology but not put its eggs all in one basket in hoping to find this by simply making use of nuclear waste heat. There are other methods and we hope the government gets about it, and in very short order.

Mr. Laughren: It's with a great deal of pleasure I rise to take part in this debate to talk about one of the several passions in my life, namely, food and agriculture. Just in case the member for York North didn't know it, I should tell him I was born and raised on a farm and never left one until I was 18 years old. Mind you, I have a poor memory. I don't recall everything I learned when I was on that farm. Nevertheless, I did understand what the member for York

North was attempting to say and we are going to support his resolution.

I thought he touched on a number of interesting areas. He struck a very responsive chord in me when he was talking about the whole question of the import of processed foods and the price of oil and gas and the effect on greenhouse operators. My worry is that his government will undertake to do something such as this and then think that's the answer to our problems, rather than seeing it is part of a much broader strategy that needs to be put in place.

If I was the member for York North, I would be very angry at succeeding Ministers of Agriculture and Food and Ministers of Industry and Tourism who have let what has happened in the food and agricultural business happen, because it really is unacceptable. Those are Ontario workers who are losing jobs because of the high degree of imports, in particular in processed foods. The deficits are substantial and are getting worse.

I certainly have no hesitation in saying I think what the member is saying is fine and I have no hesitation in supporting it. It's not just me who thinks this. There are people on this side of the House who are concerned about what's happening in the whole area of food processing. The farmers' union, the Canadian Food and Allied Workers and the Ontario Federation of Agriculture have been saying for some time now all is not well.

They have been warning the government that it has to do something about the amount of domestic demand being met by imports, a lot of them from the United States. The problem is that we are still continuing to export, but our exports are incredibly specialized, in areas like the grains, the obvious example, and oil seeds. That is the old problem in this country: producing the raw material and exporting it and then importing the finished product. We are exporting less of the substances like meat, fruit, vegetables and dairy products.

I was reading an article in a publication put out by the Canadian Churches for Global Economic Justice—it is called GATT-Fly—and they say if things continue the way they are Canadians will be able to order the dairy products required for breakfast here at home but they will have to send to another country for their lunch and their supper. That is a sad commentary on a country with the agricultural potential we have in Canada; and in Ontario, which has traditionally been known as an agricultural as well as an industrial province.

Ontario itself, by the last figure I could find, has a 42 per cent deficiency in fresh fruit, including pears, peaches, grapes tnd apples, all of which we obviously can produce here in greater numbers than we are.

When you look at the overall consumption habits of Canadians, you see that their imports have risen in the last 10 or 11 years, from 11 per cent of food consumption being met by imports in 1965 to over 13 per cent in 1976. I don't have figures since then. That is a 2.4 per cent increase of jobs of people like farmers, as well as people who work on farms, meat packers, fishermen and cannery workers, just to name a few.

Just as important, and this is what really bothers me about it, and I think the member for York North touched on this, it means a growing dependency on others for our food supplies. It is outrageous that this country would become dependent on others.

Projections are that if things just keep going the way they are now we will have an overall deficit in food by the end of the century. If that is allowed to happen it would be testimony to the stupidity of the various governments in the country.

The member for York North and I part company over how you go about turning it around. I think the member is doing one thing. That's fine, we are agreeing with that; but I suspect he stops short of the next step.

In specific processed foods we have substantial deficits: canned meat, canned shellfish, fruit juices, canned fruit, canned vegetables, nuts and candy. The total trade deficit in processed foods and vegetables is about $300 million.

I think the member for York North used the figure of $100 million, but he may have been talking about different kinds. I am talking about processed fruits and vegetables, where we have a $300 million deficit and imports account for 25 per cent of the market. More important, 12 per cent of those imports are food we can grow here. It really is a bad sign when we are importing that much of the food we can produce here.

The vegetable oil imports have 30 per cent of the market; we could be meeting that. The deficit for miscellaneous processed food is $178 million according to the last figure I could come up with.

In terms of jobs, our estimation, and the estimation of the people who have done research on it, is that in Ontario alone the import of processed fruits and vegetables which we can grow here—I am not talking about the exotic fruits and vegetables that we import—cost Ontario 2,200 direct jobs and 4,400 indirect jobs—a two to one ratio—for a total of 6,600 jobs that could employ Ontario workers. That's very serious, because food

processing is a labour-intensive industry and one we should be encouraging.

We have to get in there and become more involved. The Ontario government can't shift the blame to the federal government. The whole food processing industry, which contributes to the majority of the deficits, is heavily concentrated in Ontario. So it's an Ontario problem and the Ontario government simply hasn't done anything about it.

It's a big business. The food and beverage sector employs about 10 per cent of Ontario's manufacturing work force—if we classify it as manufacturing, which we do. That's 90,000 people, and 19,000 of those are in the fruit and vegetable market. There's a great deal at stake here for Ontario.

I was breaking it down into categories. The member for York North mentioned tomatoes. Since 1967 there's been no significant increase in the growth of exports, but imports have multiplied by a factor of four. Thus we quadrupled exports on tomatoes alone since 1967. In 1977 we imported $12 million worth of tomatoes and $19 million worth of tomato paste.

In 1976, 54 per cent of the tomato market was met by imports, according to the Canadian Food Processing Association; and that's a product we can grow here. We should be doing something about that. Further, we can't ignore the degree of foreign ownership in the industry. The highest degree of concentration is in the foreign-owned part of it; that's also where the highest deficit proportion is. The minister can't pretend that's not a problem, although I know the government would like to pretend that.

It's not doing its share of research and development in the whole food processing area. One tenth of one per cent of the value of food shipments in 1974 was spent on research and development. That's unacceptable; it's not the standard being met by other countries.

This government's role has been one of indifference. We've talked to them about it before; other organizations have talked about it and they simply ignore us.

Mr. Deputy Speaker: The honourable member's time has expired.

Mr. Laughren: So, Mr. Speaker, I commend the member for North York for bringing forth this resolution. We will support it but I hope he leans more heavily on the Minister of Agriculture and Food to do something more serious as well.

Mr. Watson: Mr. Speaker, I'd like to rise in support of this resolution. The resolution does not define what long-term self-sufficiency should be, but I'd like to say that actions which might come out of this resolution will certainly have an influence on future generations.

The province of Ontario grows and processes more food than any other province. Food is important to everyone. Our population's attention, as reflected by the press, has been on self-sufficiency for energy. Arguments are raised, "Why weren't we doing something more about self-sufficiency for energy a few years ago?"

We're at that particular point in time right now with regard to food. We should be looking into intensive food production technologies so at some point in the future we can be self-sufficient in food. I'd suggest that the food production technology we're talking about is more than the actual growing of plants and animals.

For example, the impact of imports and exports on Ontario agriculture is of concern; some of the other speakers discussed this. Since 1971, food imports into Canada have increased by 90 per cent. This is magnified by the fact that during the same period of time exports decreased considerably in almost all commodities, especially in horticultural products.

In 1977, the task force on the orientation of Canadian agriculture estimated a $344 million increase in the deficit between 1970 and 1975. We've had different figures thrown out today depending on the source, but they're all showing the same trend and they mean one thing, people from Ontario and across Canada are depending more and more on the amounts and the prices of products produced outside their own country.

We're not arguing that restrictions should be imposed on all imported goods that we do not or cannot produce here in Ontario. The point of the matter is much of what we do import could be produced, and if it is already being produced, could be cultivated more intensively.

[5:15]

Many of the fruits and vegetables Canada imports from the United States are produced here in southern Ontario already. A substantial portion of the fresh fruits and vegetables could, if necessary, be replaced by offseason supplies of Canadian origin, although perhaps they would be in a chilled, frozen or canned form.

In this Legislature I represent an area of Ontario that used to grow sugar beets. Please note "used to grow," because since 1976 sugar beets have not been grown in southwestern Ontario. I don't wish to get into the argument of the pros and cons of why the sugar beet industry disappeared. I would like

to point out one of the examples used by the farm community when it was lobbying the federal government to have the industry re-established. At that time, we had a policy in this country that said 55 per cent of the TV we watched must be produced in this country. What our farmers were asking for was a national policy which said 20 per cent of the sugar we eat should be produced in this country. They didn't get it; we don't have a sugar industry in this province.

I would suggest the technology of developing programs which would be of benefit to our farmers must go hand in hand with the technology of production proposed in this resolution. There are, sure enough, hopeful signs in our balance of payments for agricultural trade. With the increase in the price of feed grains in the early 1970s, governments in Ottawa, and especially in Ontario, felt they had to protect the livestock and dairy industries and did so by encouraging the establishment of national marketing boards to ensure a stable income for some of these sectors of our economy.

The lengthy negotiations of the tariff board under the General Agreement on Tariffs and Trade which began back in 1973 have resulted in some equitable situations now which didn't exist. Nearly all the tariffs have been changed from a specific cents per pound to an ad valorem, which is a per cent of value, in order to keep the tariffs in line with inflation. Tariff reductions are generally on those products not produced in Canada or those that are out of season.

The tomato growers in my area were very pleased with the increase in tomato paste and canned tomato tariffs, since Canada imports nearly all of its paste and about half of its canned tomatoes. I would suggest the growing of tomatoes is an intensive food production technique which now averages 20 tons per acre of delivered tomatoes in my area. We need continued research to develop tomatoes that will be capable of being harvested by means of mechanical harvesters and still maintain their excellent quality.

Some of the technology for more intensive food production is already available, but it cannot be put into practice because it is not economically attractive to the primary producer to produce to a maximum yield. Many farmers have not been educated in economics and don't really know about the law of diminishing returns, but they do know from practical experience when it costs more to produce the product than they get for it when they sell they just don't produce it.

I would suggest if we had price incentives built into producing food products, such as have been received by those who are producing oil, we would have a tremendous amount of food production here in this province. I am not one to think it would be good for the price of food to increase by 500 per cent or something in that area, as oil has increased in the past few years. What I am saying in support of this resolution is the government should be promoting new and different technologies for both growing and marketing so that if the crunch on food ever does come, and we are sure it will, we will be in the front ranks of producing.

I spoke a few minutes ago about tomatoes. In Kent county we grow about 8,000 acres of tomatoes. Estimates are that if we produced our own tomato paste in this country it would take another 8,000 acres. In other words it would double our tomato production. I would also suggest, in fact I would be very sure, that immense adjustment would take place in one year in our particular area given the economic incentive to do so.

We talked about tomatoes, but the same is true for other food crops, such as grapes and peaches. I would suggest there is a tremendous argument on the side of providing protection for these industries in our agricultural sector because if we lose them, as we have already lost some, it will be extremely difficult to regain them. We will go farther down the road in dependency on imports, with all of its disadvantages.

I know, for example, that on an experimental basis it is possible to grow apples on a one-year-old shoot rather than on a tree. Perhaps one would only get one apple per shoot, but the number of shoots one could have per acre would mean the yield would be many times that which can be achieved now. Of course, the product could be mechanized much easier.

We've moved in this direction through the planting of dwarf trees. These are the kinds of things that need to be worked on now. they need to be studied and researched because those kinds of changes don't come about overnight. This is the kind of thing that needs plenty of research.

I suggest another specific area for progress we have in southwestern Ontario are thousands of acres that could be irrigated because they are at or below lake level. We have the source of water and that's something a lot of areas don't have. It could be economical at some stage, depending on the crop, to use a lot of that irrigation. Intensive agriculture will warrant it. We could certainly do with the information required on irrigation.

Mr. McClellan: You'd make a good ag rep.

Mr. Watson: Maybe I would.

I'm sorry my time is just about up because this subject lends itself to a tremendous variation of discussion. I would like to have spent some time talking about the protection of our farm land, the techniques now available to us in intensive food and livestock production and some of the dreams our researchers have and some of the things they could pursue.

I would hate to let this moment go by without mentioning that in this very building tonight the Ontario Institute of Professional Agrologists are holding a meeting. I think they are touring the building at the present time. That particular organization, of which I am a member and for which I have a lot of respect, will have a lot of ideas and input about what we should do on this particular topic.

To be one step ahead of the matter of food production will indeed be to Ontario's and to Canada's credit when the food crisis does come. It will arise, just as surely as we're going through an energy crisis today.

Mr. G. I Miller: Mr. Speaker, it gives me great pleasure to rise and speak on ballot item 10, proposed by the member for York North (Mr. Hodgson).

I'm interested in the comment he made in regard to the bill and the initiation of a study of intensive food production technologies with a view to introducing appropriate programs based on a goal of long-term food self-sufficiency. I think I can agree.

I was also interested in the member for York North's opening comment that he has been a farmer all his life and he was able to raise his family and educate them well. I do support his views on that. It is a great place to raise a family. Hopefully, we can maintain our agricultural industry and expand on it. If there is anything we can do in this Legislature by proposals such as this they certainly have the support of our party, as has been indicated by our critic in his opening address.

The thing that really concerns me in intensifying our utilization of resources is that somebody can get hurt. I think the member for Essex South (Mr. Mancini) has spoken on that many times. In the greenhouse business we have to be careful that the existing producers are given the same opportunities as we are intensifying the utilization of nuclear hydro generating stations and the other stations that are being proposed.

At the present time our young people are saddled with a tremendous debt. An editorial in this month's Ontario Fruit and Vegetable Growers' Association magazine indicates our young farmers in Ontario have a $3.2 billion debt. At the high rate of interest they are paying at the present time, as high as 17 per cent, it is certainly putting a lot of pressure on the expansion that has already taken place over the past 10 years.

In our area they are intensifying the growing of hogs, the operation of breeder barns and feeder barns, and in providing facilities for the storage of manure. There has been a tremendous expansion. Now they are under very heavy financial responsibility to pay the high interest rates. We have to be aware of that and come up with some solutions or some protection for them. If they increase the price of the end product to pay the high interest it just adds to inflation, and the consumer—and everyone in Ontario and Canada for that matter—is going to be in a more difficult position. It just adds to the inflation factor. I think we have to give that a close look also.

Another area we could be looking at, and the Minister of Agriculture and Food in particular, is providing a report on what the markets are, what the futures are, what the world markets are and where we can sell these products so we can grow to our needs.

As my friend the member for Nickel Belt (Mr. Laughren) indicated—his ideas aren't the same as ours, but I agree—we have to encourage our young people to own their own farms and give them that opportunity. We can't have it state-controlled. We have to be very careful there because if they don't have goals to work towards, as well as the incentive, they're not going to take the same interest.

I was also interested in the statement of the member for York North in regard to Texaco which announced its plans at a press conference in Guelph on November 5. Professor Herman Tiessen of the department of horticulture announced that the first crop of tomatoes from the research project would be harvested in approximately one year, so that's in 1980. That happens to be in my riding. We have had a tremendous amount of development there. It just shows that agriculture and industry can work together, and I hope that can be maintained. While we do need the jobs and we do need the homes, I certainly think it would be much more viable and would make for a much healthier atmosphere if we could keep the two working together.

I see, too, they have the potential to put in 100 acres of greenhouses. As the member pointed out, we now have only 540 acres, I believe, under glass, so we can see that would be a tremendous step forward in itself. I hope

the private sector can come up with an agreement with Texaco in order to work out that project so they can have a share in the development of the potential there. I am pleased to see that taking place, and I would like to say thanks to Texaco for showing leadership in that particular role.

When they announced the Townsend townsite, they indicated the reason for locating there was to utilize the heat energy from the Ontario Hydro generating station at Nanticoke. I don't know whether that will ever take place. It's not in the plans now. The research we have done has indicated it may not be feasible, but perhaps it is. Maybe in the days ahead that can be engineered or looked into to see if it is possible.

As far as the need for production in Ontario is concerned, we are importing much more than we are exporting. We have pointed that out since we came into the House in 1975. I think the strawberry crop is a good example. We are only producing 25 per cent of our strawberry needs and importing the remainder. We can grow some of the finest strawberries of any place in the world, but in the last couple of years there have been improvements in that so we need to move forward.

On the energy side, because my family happens to be farmers in the corn business, I know that corn drying does take a tremendous amount of energy and that acreage is increasing. I wonder too, with the Texaco plan and the excess heat there, if those dryers could be attached to utilize that heat? That's an area that could be explored, with industry and agriculture working together.

The job opportunities in those fields are tremendous. Industry would gain because it would have to produce the equipment needed, the tractors and everything connected with agriculture. The spinoff effect would be tremendous. I think there is a great future there.

[5:30]

Another area in the energy field is the fact this government hasn't allowed the use of gasohol. In northern Ontario there is great interest, in that there are small units. There is a lot of agricultural land where they could grow potatoes and other vegetables that would be good for making gasohol. There are people there who would like to do that on an experimental basis, but they are not able to get the permit to do so. I think the government should show some leadership. The Americans are doing it and Brazil is doing it. There is no reason why Ontario can't also do it and provide job opportunities in the north.

Mr. Speaker, there are many areas we could get into. It has been pointed out by the member for Chatham-Kent (Mr. Watson), that the future is there. I certainly agree, and I certainly support any movement that can extend our industry. I would like to wish the member's bill well in the House.

Mr. MacDonald: Mr. Speaker, the goal of this resolution is to establish greater food self-sufficiency. That is a very worthy goal. There was a Minister of Agriculture and Food four or five years ago, Bill Stewart had been in that portfolio for some 10 or 12 years or more—who once informed this House that the trend away from self-sufficiency in Ontario—from the middle 1960s—projected to the end of the century, would result in the province of Ontario importing 60 per cent of its food. Surely, Mr. Speaker, there is no more ludicrous warning than that, that a province in which agriculture is one of the prized basic industries should be drifting further and further away from food self-sufficiency.

The Ontario Federation of Agriculture came in a year or two ago and pointed out that by 1985 there will be only about two products in which we will be self-sufficient and have a measure of surplus. In all of the rest, there will be a lack of self-sufficiency. What is the government doing about it?

This is an interesting minor revolt in government back benches, led by a parliamentary assistant, about the inadequacies of government policy. What is the government doing about it?

Foodland Ontario is about the only thing the government has come up with in trying to develop greater purchase of Ontario-produced foods. Even there, it is hopelessly inadequate.

Without taking too much time, I remind members of the debate and the questions we had in this House a couple of weeks ago about imported chickens. My colleague the member for Wentworth (Mr. Isaacs) put a question on the order paper asking whether there couldn't be markings so that the Ontario consumers, when they went to buy chickens, could buy an Ontario chicken if it were so identified.

The answer was that identification at the packer/processor or retail level would mean increased cost in labour and packaging, which would be passed on to the consumer. In other words a cop-out. In some instances it is a total cop-out, because the major use of imported chickens in this province is by Maple Lodge Farms, a processing plant west

of Guelph. It deals wholly in imported products, so there would be no problem other than the minor identification of it as an imported product.

If the government's Foodland Ontario program means anything then it is a minor cost. It is a cost that should be sustained in order to let our people know they are buying an imported product rather than a locally-produced one.

The main way of achieving this goal of food self-sufficiency, according to the thrust of the resolution introduced by the member for York North, is that we should have intensive food production technology, a study of new methods, with a view to developing greater food self-sufficiency.

Again, Mr. Speaker, good, but what is the only one he has cited? The only one he has cited is the technology of using waste heat from nuclear plants for purposes of building more greenhouses.

Of course that is absolutely commendable. What we have been doing is pouring the equivalent of millions of barrels of oil in the form of waste heat from our nuclear plants back into the Great Lakes. It is the most striking example of the wasteful use of energy in this province.

The government has had a study, as a result of which it is proceeding now to build greenhouses, or at least to work out the industrial strategy for building greenhouses, up in Bruce county and in the area down in Ontario and Northumberland counties in conjunction with Pickering and the other nuclear plants there.

It is idle for this government to have a thrust in terms of the application of that new technology if it is not able to get its kissing cousins in Ottawa to do something about the imports. The net effect of this government's program, the only program it has in terms of applying new technologies, is for every new greenhouse it build's it is going to turn belly up another one down in Essex county or in the Niagara Peninsula because they can't sustain all of the costs now in face of imports. There is need for some co-ordination with the federal government in order to make it possible that any new production we have from greenhouses that use the energy from nuclear plants should replace imports, but it can replace imports only if this government gets co-operation from the people in Ottawa.

The honourable member cited two other instances of things that should be done in order to build the sustainability of agriculture as we move towards the end of the century. The two areas were energy and interest rates. On energy, once again, this government through its new Minister of Energy (Mr. Welch) on October 1 unveiled a $30 billion program for energy development over the next 15 years. Included in that program was a very hopeful new redirection, namely that $14 billion of that $30 billion should be spent on non-conventional renewable energy sources, such as solar, wind, waste materials, biomass, et cetera.

That was again magnificent, but it was immediately proceeded by a cop-out. The Minister of Energy said he hoped the private sector will do all this. I wish he would point to a shred of evidence that the private sector in the past has indicated any intention to move in doing the research and finding the technology to develop nonconventional, renewable energy sources.

If this government really means it, there is an area for new technology, but the government has at least got to get in and play a partnership role with some of the funds that are now being directed to building an already oversized electric generation system in this province. Without going into the detail of it, I know of no area where that new technology would have a greater impact than in the agricultural community.

I attended an Ontario Federation of Agriculture convention in Ottawa four or five years ago. I was startled by a man who told that convention enough methane gas could be produced from the manure on the farms in the province to equal one half of the current consumption or usage of gas in Ontario at the present time. There are fantastic amounts of energy in the waste material on farms. Here is an opportunity for the government's technology. But this government has copped out. It has handed it all over to the private sector. As there is no immediate profit in it, the private sector isn't going to do anything.

Finally, on interest rates, the Leader of the Opposition (Mr. S. Smith) a couple of days ago queried the Treasurer (Mr. F. S. Miller) with regard to the fact that back in 1973 the banks in the province, and indeed across this whole country, had brought in a dual system of interest rates in which there was a lower interest rate for small business and farms. It was a short-term program, I think for the better part of one year but no more. It has gone. What has been done about it? Has this government been pressing?

Some of my colleagues, including the member for Nickel Belt (Mr. Laughren), queried the Minister of Industry and Tourism (Mr. Grossman) earlier in this session as to what was going to be done on interest rates. He said he was approaching the banks and

asking the banks to be very responsive to the requests from farmers and small businessmen. We are still awaiting his reply as to what the banks are going to do about it.

So you see, Mr. Speaker, all of the things the honourable member has raised are very worthy, but what they do is underline the fact that this government's policies are either absent or inadequate in terms of fulfilling the goal of his resolution. What the resolution provoking or focusing this debate does is to underline the absence and the inadequacies on the government side.

Food self-sufficiency should be part of an overall industrial strategy in this province, since agriculture is one of our basic industries. My colleague from Nickel Belt spelled that out in terms of what could be done.

The honourable member for Chatham-Kent (Mr. Watson) says they could have another 8,000 acres of tomatoes planted in one year, to be manufactured into paste. Why isn't the government doing something about it? Instead of throwing out all these bright ideas from the back-benchers, why don't government members talk to their Minister of Agriculture and Food? Why don't members of that caucus get their cabinet to do something on all the things the honourable member for York North really didn't include in his resolution?

His resolution mentions only one study. He calls for a lot of studies but the only point on which he focuses attention is greenhouses. The study has been done. He doesn't suggest other studies that should be done. He has a few proposals from this side of the House. He even got some from the back-benchers on his side of the House. What we want now is some action instead of all the rhetoric we have had up until this point.

Mr. Belanger: Mr. Speaker, I am pleased to add a few comments to those of my colleagues in support of this resolution.

There have been tremendous developments in agriculture in our lifetimes. Some experts claim the population growth, and in consequence the demand for food, is out-pacing the technological advances in farming and food processing. Yet others remain confident that with a sustained effort we are quite capable of continuing to feed ourselves. In Ontario we are very fortunate; we are also capable of helping to feed others outside this province.

A number of agronomists and other scientists in fields related to agriculture and food are looking at their work from what they call a whole systems point of view. As a matter of fact, biologists first alerted us to the possible undesirable long-term consequences of some of our farm practices. An example that comes to mind is the discovery of problems associated with the pesticide DDT, which was banned by this government a number of years ago. This happened because scientists began to realize the substance accumulated in potentially harmful amounts as it moved up the food chain.

This is, in a sense, what food scientists mean by the systems approach. It is an attitude which will prevail increasingly in our policy-making with regard to agriculture and food.

The issue of self-sufficiency in food will be a key one in coming decades. We cannot produce all the varieties of food stuffs in Canada which our consumers demand. We cannot produce such commodities as coffee, tea or citrus products. Self-sufficiency must mean that at least we pay for the import of such products through the export of our own food products.

We have seen a dramatic rise in imports of fresh and processed products. I am concerned that unless we act to balance this situation, we will experience a condition in which imports will exceed exports. The government of Ontario has committed itself to reverse this trend. We have in place the Foodland Ontario program, the aim of which is to increase consumption of Ontario-produced agricultural products among the citizens of Ontario. It is part of a new dimension of the Ministry of Agriculture and Food which was further defined and consolidated one year ago when a major marketing division was launched within the ministry.

Ontario is the nation's largest producer of agricultural products. The farm-gained value of agricultural commodities grown or produced in Ontario is well over $3 billion each year. We supply approximately 30 per cent of all Canadian agricultural output.

[5:45]

This government has stated its commitment to maintaining a healthy and productive agricultural sector. Simply stated, there are two alternative routes which this province could follow to ensure a viable agricultural economy. The first is to guarantee the income of our agricultural producers through massive transfer payments via taxation of the non-agricultural sector to support the agricultural producers in this province. This alternative has been rejected as a suitable long-term route for this province to take. Rather, the second alternative, the development of markets, both domestically and internationally, which are capable of maintaining a healthy and relatively prosperous agricultural industry, has been accepted as a preferable route to take.

Having adopted this policy, the government of Ontario, through the Ministry of Agriculture and Food, has assumed the responsibility of giving leadership to both the agricultural and processing sectors of the industry in developing those critical markets for our products. The production of our agricultural commodities has been growing over the past 10 years at an average rate of 1.7 per cent annually. This compares with the provincial population growth of 1.6 per cent, and a national population growth of 1.4 per cent.

Let's look at the market potentials. There are two places where we can seek that increased demand for agricultural outputs. First there is our own domestic market; and then there is the export potential.

Let's talk for a minute about the domestic market. The Foodland Ontario program, as noted, has already clearly demonstrated that Ontario shoppers will buy domestic agricultural products in preference to imported products when buyers can identify products, and have the opportunity to purchase them.

I mentioned before that the value of imported food products in the province is currently about $1.5 billion annually. About 40 per cent, or roughly $600 million of these imports, could be replaced by our own farmers and processors. The farm-gate value of those replaceable imports is calculated to amount to $500 million annually. We believe it is possible to expect that over a four or five year period we might be able to replace about 40 per cent of that $500 million, or add another $200 million to our farm income.

Let me give members a few examples of some of the food which we import, and their value. These foods are either produced now, or could be produced here in Canada.

Mr. Speaker: The honourable member's time is about to expire.

Mr. Belanger: I am sorry, Mr. Speaker. In order that these programs may be successful, it is vital that all levels of governments, and all facets of the food and agricultural industry work together towards achievement of this goal.

Mr. Speaker: The first item before us is Mr. Cassidy's motion, in the absence of Mr. Lawlor, for second reading of Bill 168.

HEALTH INSURANCE AMENDMENT ACT

The House divided on Mr. Cassidy's motion for second reading of Bill 168, which was negatived on the following vote:

AYES

Bryden, Cassidy, Charlton, Davidson, M., Davison, M. N., di Santo, Foulds, Germa, Johnston, R. F., Laughren, Lupusella, MacDonald, Mackenzie, Makarchuk, Martel, McClellan, Philip, Renwick, Samis, Young, Ziemba.

NAYS

Ashe, Auld, Baetz, Belanger, Bernier, Birch, Blundy, Bradley, Breithaupt, Brunelle, Conway, Cunningham, Cureatz, Drea, Edighoffer, Epp, Gregory, Hall, Havrot, Henderson, Hennessy, Hodgson, Jones, Kennedy, Kerrio, Lane, Leluk, MacBeth, Maeck, Mancini, McCaffrey, McCague, McKessock, McMurtry, McNeil, Miller, F. S., Miller, G. I., Nixon, Norton, Parrott, Peterson, Reid, T. P., Rollins, Rotenberg, Rowe, Ruston, Smith, G. E., Snow, Sterling, Stong, Sweeney, Timbrell, Van Horne, Villeneuve, Walker, Watson, Wells, Wiseman, Yakabuski.

Ayes 21; nays 59.

AGRICULTURAL PRODUCTION

Mr. Speaker: The record item to be considered is resolution 38 standing in the name of Mr. Hodgson.

Any member objecting to this question being placed before the House should now rise.

Shall the motion carry?

Carried.

Resolution concurred in.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, pursuant to standing order 13, I'd like to indicate to the House the business for the remainder of this week and next week:

Tonight we will do Bill 160 in committee, followed by Bills 148, 149, and 150, second reading and committee stage if time permits.

Tomorrow, the House will be in committee of supply to consider the estimates of the Treasurer. On Monday, December 3, in the afternoon, the House again will be in committee of supply to consider the estimates of the Treasurer. In the evening, the House will consider, in second reading and committee stage as required, Bills 162, 170, 173, 180, 181, 182; and then Bill 154, second reading and committee stage as required, if time permits.

On Tuesday, December 4, in the afternoon and evening, we'll consider legislation in the House: Bill 161 and Bill 175, second reading and committee, as required; followed by Bills 148, 149, and 150, second reading and committee, as required. If they're not completed

in the afternoon we'll continue them in the evening, followed by Bill 171, second reading and committee if required; Bills 177, 178, and 179, Bill 176, second reading and committee as required. Then, if time still permits, we'll consider Bills 154 and 174, second reading and committee.

On Wednesday, December 5, justice, general government, and resources development committees may meet in the morning. On Thursday, December 6, in the afternoon the order will be private members' public business ballot items 11 and 12. In the evening the House will consider parts 3 and 4 of the final report of the standing resources development committee concerning the pulp and paper industry and Reed Paper. On Friday, December 7 the House will be in committee of supply to consider the estimates of the Treasurer.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I would like to table the answers to questions 349, 356 and 359 standing on the notice paper. (See appendix, page 4980.)

The House recessed at 6:01 p.m.

APPENDIX

(See page 4979.)

ANSWERS TO QUESTIONS ON NOTICE PAPER

ROYAL ONTARIO MUSEUM

349. Mr. Grande: Would the Ministry of Culture and Recreation table the salaries of every individual who worked for the Royal Ontario Museum, on a full-time or part-time contract, for the years 1975 through 1979? (Tabled November 13, 1979.)

Hon. Mr. Baetz: Since the Royal Ontario Museum is not a crown agency the ministry does not have a list of the individual salaries paid to all persons who worked at the ROM on a full-time or part-time contract for the years 1975 through 1979. However, the ministry does have the total salary budget for the museum for those years. This information is provided to the ministry by the museum annually as part of its total budget submission in support of its annual appropriation from the ministry. In this regard, the total annual salary costs of the museum for the years in question are as follows:

July 1-June 30 fiscal year (according to audited financial statements):

1974-75, $4,539,936; 1975-76, $5,314,883; 1976-77, $5,889,643; 1977-78, $6,473,714; 1978-79, $7,203,513; 1979 to end of October, $2,540,552.

BRITISH SUBJECTS

356. Mr. Breithaupt: What is the definition in Ontario of the term "British subject"? What present statutes in Ontario give any preference to, or refer to either voting or membership or qualification rights available to those referred to as "British subjects"? What agencies, boards and commissions of the government of Ontario through their statute of incorporation or regulations made thereto give any preference to, or refer to either voting or membership or qualification rights available to those referred to as "British subjects"? What professional organizations or other groups incorporated by any act of the Ontario Legislature give any preference to, or refer to either voting or membership or qualification rights available to those referred to as "British subjects"? (Tabled November 15, 1979.)

Hon. Mr. McMurtry: Attached hereto are details of the ministry's response to question 356.

What is the definition in Ontario of the term "British subject"?

There is no statutory definition of British subject in Ontario.

Until recently, the Canadian Citizenship Act, RSC 1970, c. C-19 defined the term as a status held by the citizens of certain Commonwealth countries. The act also provided that every Canadian citizen was a British subject. The new Citizenship Act, SC 1974-5-6, c. 108 does not define British subject. It now recognizes the expression "citizen of the Commonwealth." Section 31 of this act provides as follows:

S. 31(1). Every person who, under an enactment of a Commonwealth country other than Canada, is a citizen or national of that country, has in Canada the status of a citizen of the Commonwealth.

(2). For the purposes of any law in force in Canada on and after the commencement of this act that refers to the status of British subject, the status so described shall after the commencement of this act refer to the status of Canadian citizen or citizen of the Commonwealth or both as the intent of such law may require.

What professional organizations or other groups incorporated by any act of the Ontario Legislature give any preference to or refer to either voting or membership or qualification rights available to those referred to as "British subjects"?

1. Ontario Association of Architects: See Architects Act, R.S.O. 1970, c. 27, s. 5(1)(e), s. 6.

2. Law Society of Upper Canada: See Law Society Act, R.S.O. 1970, c. 238, s. 28, s. 32.

3. Council of the Association of Ontario Land Surveyors: See the Surveyors Act, RSO 1970, c. 452, s. 6(5), s. 6(7).

What present statutes in Ontario give any preference to or refer to either voting or membership or qualification rights available to those referred to as "British subjects"?

1. City of Timmins-Porcupine Act, SO 1972, c. 117, s. 32. See Municipal Elections Act, SO 1977, c. 62, ss. 12 and 13.

2. Community Recreation Centres Act, SO 1974, c. 80. S. 5—municipal council membership required for board membership. See Municipal Act, s. 35 and Municipal Elections Act, 1977, c. 62, ss. 12, 13.

3. Crown Attorneys Act, RSO 1970, c. 101. S. 4—must be member of Law Society. See Law Society Act.

4. District Municipality of Muskoka Act, RSO 1970, c. 131. S. 9(6) and Form 2—chairman of council to make declaration that he is British subject.

5. Drainage Act, SO 1975, c. 79, as amended. S. 96(2)—members of courts of revision to be eligible to be elected members of council. See Municipal Act and Municipal Elections Act, 1977. S. 101(3)—referee to be barrister or judge. See Law Society Act.

6. Education Act, SO 1974, c. 109. S. 1(1), 43 and 60—electors defined. Refer to Municipal Elections Act, 1977. S. 57(32); s. 112(3)—nominators of candidates for office must be electors. S. 62(1) and s. 63(7); s. 95, s. 97(6) and (7)—school electors must be Canadian citizens or British subjects. S. 72(3), s. 181(1), s. 141, s. 192(1)—trustees and board members to be electors, see Municipal Elections Act, 1977. S. 93(2); s. 94—electors defined as in Municipal Elections Act, 1977.

7. Election Act, RSO 1970, c. 142, as amended. S. 4(12)—returning officer to be Canadian citizen or other British subject. S. 4a(2)—assistant revising officers to be Canadian citizens or other British subjects. S. 9(1)(b)—voters Canadian citizens or other British subjects. S. 36(b)—candidates to be Canadian citizens or other British subjects. S. 56(6)—poll clerks and deputy returning officers must be qualified to vote and therefore be Canadian citizens or other British subjects.

8. Judicature Act, RSO 1970, c. 228. S. 107(1)—official guardian to be barrister and solicitor—See Law Society Act.

9. Land Titles Act, RSO 1970, c. 234. S. 11—director of titles to be barrister and solicitor—See Law Society Act.

10. Legislative Assembly Act, ROS 1970, c. 240. S. 6—must be British subject to be qualified to sit and vote in assembly.

11. Liquor Licence Act, SO 1975, c. 40, as amended. S. 27(1); 32(1); 34(2) and 34(3)—voters must be qualified to vote under the Municipal Elections Act, 1977.

12. Municipal Act, RSO 1970, c. 284, as amended. S. 10(8)—applicants for incorporation must be British subjects. S. 14(2)—applicants for annexation must be British subjects. S. 35—council members must be electors within the Municipal Elections Act, 1977. S. 472(1)—trustees of police village must be electors under the Municipal Elections Act, 1977.

13. Municipal Arbitrations Act, RSO 1970, c. 286. S. 1(2)(a)—arbitrator may be barrister—See Law Society Act.

14. Municipal Elections Act, SO 1977, c. 62. Ss. 12, 13, 15, 16—electors must be Canadian citizens or other British subjects. S. 67(2)—proxies must be eligible to be electors.

15. Ottawa-Carleton Amalgamation and Elections Act, SO 1973, c. 93. S. 3(1) and (5)—electors and council members—See Municipal Act and Municipal Elections Act.

16. Provincial Courts Act, RSO 1970, c. 369. S. 9(2)—Judges to be members of bar in certain situations—See Law Society Act.

17. Public Officers Act, RSO 1970, c. 382. S. 1—persons employed in public office must be British subjects unless for temporary purpose.

18. Public Trustee Act, RSO 1970, c. 389. S. 1—Public Trustee must be member of bar of Ontario—See Law Society Act.

19. Regional Municipality of Durham Act, SO 1973, c. 78. S. 10(6) and Form 2—chairman's declaration of office must be British subject.

20. Regional Municipality of Haldimand-Norfolk Act, SO 1973, c. 96. S. 10(6) and Form 2—as above.

21. Regional Municipality of Halton Act, SO 1973, c. 70. S. 10(6) and Form 2—as above.

22. Regional Municipality of Hamilton-Wentworth Act, SO 1973, c. 74. S. 10(6) and Form 2—as above.

23. Regional Municipality of Peel Act, SO 1973, c. 60. S. 10(6) and Form 2—as above.

24. Regional Municipality of Sudbury Act, SO 1972, c. 104. S. 10(6) and Form 2—as above.

25. Regional Municipality of Waterloo Act, SO 1972, c. 105. S. 10(6) and Form 2—as above.

26. Regional Municipality of York Act, RSO 1970, c. 408. S. 9(6) and Form 2—chairman's declaration of office must be British subject.

27. Registry Act, RSO 1970, c. 409. S. 6(1)—director of land registration to be barrister and solicitor—See Law Society Act.

28. Small Claims Court Act, RSO 1970, c. 439, as amended. S. 13—appointment of barrister to act as deputy judge—See Law Society Act.

29. Statute Labour Act, RSO 1970, c. 445. S. 10(2)—persons calling election of road commissioners to be British subjects. S. 16(2) and (3)—persons voting for commissioners to be British subjects. S. 17 and s. 19—must be British subject to be road commissioner.

30. Town of Cobourg Act, SO 1975, s. 93. S. 2(1)—members of parks and recreation board to be council members—See Municipal Act and Municipal Elections Act.

31. Town of Ingersoll Act, SO 1974, c. 145. S. 2(1)—as above.

32. Town of Strathroy Act, SO 1974, c. 159, S. 2 (1)—as above.

33. Town of Welland-Port Colborne Airport Act, SO 1976, c. 107. Schedule A, s. 3—council members to be members of commis-

sion—See Municipal Act and Municipal Elections Act.

34. Art Gallery of Ontario Act, RSO 1970, c. 29, as amended. S. 4—members of council to be on board of trustees—See Municipal Act and Municipal Elections Act.

35. Child Welfare Act, SO 1978, c. 85 S. 7—municipal council members to be on boards of directors of children aid societies—See Municipal Act and Municipal Elections Act.

36. Police Act, as amended, Bill 135, 1979, June 21, 1979. S. 8(2) and 9(2)—heads of council to be board members—See Municipal Act and Municipal Elections Act.

37. Durham Municipal Hydro-Electric Service Act, 1979, June 19, 1979. S. 2—members of commission to be council members and electors—See Municipal Act and Municipal Elections Act.

38. Halton Municipal Hydro-Electric Service Act, 1979, June 19, 1979. S. 2—as above.

39. Niagara Municipal Hydro-Electric Service Act, 1979, June 14, 1979. S. 2—as above.

40. Oxford Municipal Hydro-Electric Service Act, SO 1977, c. 60. S. 2 as above.

41. Peel Municipal Hydro-Electric Service Act, SO 1977, c. 29. S. 2 as above.

42. Waterloo Electrical Services Areas Act, SO 1977, c. 28, s. 2 as above.

All the regulations have not been examined. However, the following information has been received:

(a) From the Ministry of Health: Regulation 90, RSO 1970, Chapter 70, Form 3 (Chiropody Act). Regulation 232, RSO 1970, Chapter 137, Form 1 (Drugless Practitioners Act).

(b) From the Ministry of the Solicitor General: Two provisions in regulation 680 under the Police Act restrict appointments to persons who are Canadian citizens or British subjects. Section 32 provides that no person shall be appointed as a municipal police officer "unless he is a Canadian citizen or a British subject." Section 67 provides that no person shall be appointed as a member of the Ontario Provincial Police force "unless he is a Canadian citizen or a British subject."

HEALTH SERVICE CHARGES

359. Mr. Wildman: Would the ministry table any and all analyses and studies it has done on the estimated cost to the provincial Treasury and the Ontario Health Insurance Plan of legislative changes that would require OHIP to cover the travel and associated expenses of non-emergency referrals of patients from the north to southern Ontario for specialized treatments and care not available in their own communities and return fares of emergency patients who have recovered sufficiently to return home after treatment in southern hospitals? (Tabled November 22, 1979.)

Hon. Mr. Timbrell: This ministry has not conducted any study or analysis on the estimated cost to cover the travel and associated expenses of non-emergency referrals of patients from northern Ontario, or the return fare of emergency patients.

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No. 122

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Thursday, November 29, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

House in committee.

COMPULSORY AUTOMOBILE INSURANCE ACT
(concluded)

Resumption of the adjourned consideration of Bill 160, The Compulsory Automobile Insurance Act, 1979.

On section 8:

Mr. M. N. Davison: I was just handed a list from the Minister of Consumer and Commercial Relations. I assume this is the list of the board of directors of the Facility Association?

Hon. Mr. Drea: Which Facility Association?

Mr. M. N. Davison: The same Facility Association, Mr. Chairman, that was presenting briefs to the select committee on company law back in 1977. Is that correct?

Hon. Mr. Drea: Yes.

Mr. M. N. Davison: And these are the proposed board of directors for the new Facility Association, is that correct?

Hon. Mr. Drea: And the servicing carriers on the front.

Mr. M. N. Davison: Thank you.

Section 8 agreed to.

Mr. Chairman: Are there any questions prior to section 11?

Mr. Breithaupt: I was concerned, Mr. Chairman, with a comment in section 10, but I believe the matter concerning the superintendent's power to allow or disallow rates has been dealt with already.

Section 9 agreed to.

On section 10:

Mr. M. N. Davison: In section 10(1) and (2): "The articles of the association and bylaws of the association shall be filed by the association with the superintendent on or before December 1, 1979." Also, the superintendent has certain powers in regard to those bylaws, et cetera, of the association up until December 31.

Has it occurred to the ministry that members of the assembly might want to make comment or examine the so-called plan of operation and the bylaws of the association? Has any consideration been given within the ministry, or by the minister, to some proposal whereby either members of the assembly, or a committee such as the standing committee on the administration of justice,would have a chance to go over these documents before we got into a fully authorized flight by the new association?

Hon. Mr. Drea: Mr. Chairman, the reason for filing with the superintendent is because the association is nonprofit and the rates are controlled. It has to be operated to the satisfaction of the superintendent. It is virtually the same as any filing with the superintendent. The superintendent either approves or disapproves, in which case it can come back with the annual report of the superintendent, which is filed with the Legislature. That is the disposition of the matter.

As I said the other night, the superintendent does file an annual report through the minister, and there will be a special section of the annual report dealing with the Facility Association. I think in that way, the Legislature has every opportunity for an overview. Bear in mind that the bylaws, until they are approved by the superintendent, are only proposed bylaws that are being put forward by the Facility Association.

I read a communication to the Facility Association the other night outlining a number of matters the superintendent wanted clarified to his satisfaction.

Mr. M. N. Davison: Let me put my concern in this way: Normally with a piece of legislation like this, from my experience dealing with the ministry, the process has been given the kind of time frame where the bill might well have been introduced towards the end of last session and there would have been adequate time for public analysis and input.

The bill may have received second reading in the spring and it might have gone through an outside committee during the summer, or indeed it might have been introduced early in the fall session and then sent to a committee outside of the assembly, which I think would have been the best way to deal with it. However, the bill wasn't introduced until November 2, so we didn't start into second

reading until a very short time ago. The ministry does, and I can understand the rationale behind it, want to get this legislation in place by the beginning of next month so we are forced to deal with it in committee of the whole House.

Frankly, there are some things that are worrisome about what the Facility Association may be doing. One is the point raised by my colleague from Sudbury on Tuesday night in regard to the undemocratic way in which the association will function, with the bigger, wealthier companies getting more votes than the smaller companies in the association. Another real concern is the amount of profit that will be made by the people who sell plans under the association.

There are other legitimate concerns members of the assembly aren't having a chance to look at because, as the minister points out, and rightly so, the document entitled Facility Association Plan or Operation, which was submitted to the select committee, may not be the plan of operation the Facility Association will have next month. Consequently, we have a situation where a fairly important agency or association which is going to be affecting consumers in the province will be operating on a plan members of the assembly will never even have a chance to look at before it goes into force. What I can't understand is why the minister, given the fact there are some time problems, wouldn't have arranged or thought of arranging some process by which members or the assembly could have examined the plan of operation and perhaps have questioned people from the Facility Association before the plan was given final stamp of approval.

I don't mean those comments in any way to run down the superintendent of insurance or any of the people within the ministry, they are fine and conscientious people; but it seems to me in such a controversial matter the minister might well, or should have, considered providing some mechanism by which members of the assembly could have examined the plan before it went into effect.

Hon. Mr. Drea: Mr. Chairman, first of all, this insurance arrangement doesn't go into effect, no matter how many proposals are before the Legislature or are being studied by members of the Legislature, until this bill is passed. Second, as I said before, the superintendent has to report in detail on it. Third, I don't think the Facility Association is controversial.

The controversy arises and I will try to put this as objectively as possible, from philosophical differences by a party and certain members in this Legislature as to how insurance will be provided in Ontario. Bear in mind, too, that when you talk about putting things forward, and so on and so forth, the select committee on company law has rather exhaustively looked at this entire subject. There is a great deal of background.

The select committee on company law is probably the oldest specialized committee of the Legislature and it did indeed set out guidelines for the ministry. It may not have set out guidelines for a Facility Association, it left room for discretion there. It recommended one way of dealing with this matter, but I haven't heard any comments from members of that committee saying we went against the thrust of their approach towards the introduction of compulsory insurance.

I would have loved to have been in a position to put forward this bill during the spring session. That we did not was no fault on the part of the insurance industry or my staff. Because of the nature of this ministry, there were certain impediments to my being able to put it forward, or even to having the time to give it adequate debate, or put it into committee.

Secondly, as the honourable member knows, because of certain impediments even my estimates were blocked for many weeks and had to be put through relatively quickly this fall. I am sure the insurance industry—not only the carriers but the agents; everybody involved, my colleague, the Minister of Transportation and Communications (Mr. Snow) on behalf of his licence issuers—all would have been absolutely delighted had this bill received royal assent during the last session, but given the circumstances it was presented to the Legislature at the earliest possible time.

What it really comes down to is that the superintendent of insurance has been given a mandate, not only by the minister but by the select committee of company law, which because of the scope of that committee I would take as a mandate from the entire Legislature to do certain things. He is doing them.

It really comes down to the question of whether you trust the ability of the superintendent of insurance to consumate certain agreements that will be reflected in the operations of the Facility Association. I am not talking about the abilities of Mr. Thompson, I am talking about this in the abstract.

There will be monitoring. There will be a special section of his annual report, the first one obviously, that deals solely with the formation and the initial operation of the Facility Association. Latterly, there will be quite an extensive monitoring function, that

in fairness I think the Legislature granted within a relatively brief period of time, and has had a very adequate opportunity to do so.

I would take you to page 34 of the report of the committee: "Accordingly the committee has concluded that the industry should be free to determine the structure of the pooling mechanism required to implement the take-all-comers approach." The industry has been doing that for quite a period of time.

Mr. M. N. Davison: Just a final word, Mr. Chairman. I don't mean to belabour some of the inadequacies of the Facility Association for too long.

On the question of timing the issue still remains, Mr. Minister, that you have had almost two years—not you personally but your ministry and your government—from the promise to bring in compulsory auto insurance back in February 1978, to the realization of the fact in the dying days of November 1979. It seems to me that in two years, with some sort of proper planning the government and the ministry could have found the time to bring this to the House so that members would have had a chance to examine this thoroughly in a committee outside of the committee of the whole House.

Mr. Foulds: Where was the two-for-one tree promise for one? Now we are fighting that.

Mr. M. N. Davison: That's right, here we get another example.

On another issue, the issue of the select committee, I have a great deal of respect for the select committee on company law, but that doesn't make them perfect. If the minister will remember the detail of the report from which he just read, he will recall there was a dissent to that report on the issue of public auto insurance. Need I say more about that? If you had moved with such a plan we wouldn't be having the kind of debate we are having now.

[8:15]

The matter of trust of the superintendent of insurance is not the issue. As a member of the assembly I think there are certain things which the members of the assembly have the right to examine; and of course I have my preferences. I don't think the minister will disagree with me when I say I think it would have been better if members of the assembly had a chance to go through a proposed plan of operation from the facility and make their comments and suggestions or philosophical differences by a party and cer- of the timing.

Finally, I don't find any difficulty in criticizing the proposed plan of operation for this Facility Association. I may have an anticorporate bias, but let me say in the area I come from and from the background I have, I know maybe a bit more about democracy in the parliamentary sense, or democracy in the street sense, the city sense or the trade union sense, than I do about democracy in the corporate sense.

From what I can tell about corporate democracy, it doesn't exist. I have a great deal of difficulty justifying what passes for democratic rights within the Facility Association, when engrained in article four of the Facility Association plan of operation is a procedure that allows voting by the amount of money one has. If one has around half a million dollars that allows one vote; if one has approximately 10 times that amount it means five votes; that is not democracy in the way I know it in Hamilton Centre. Maybe that's the way democracy operates on Bay Street, and maybe that's the kind of thing some people in the government opposite would hold up as fine examples of corporate democracy, but that is not democracy as I know it.

I have serious concerns about any organization that operates in the kind of way that the bigger one is and the more money one has the more votes one has. That provides cause for me to question the Facility Association, regardless of who supports it as a concept. I think there are real problems resulting from the fact the assembly hasn't had enough time to look at the Facility Association. I think there are problems that result from the fact the plan of operation has never been before the assembly and will not be before the assembly this year. I think it is unfortunate, since I think we had the time to find a better way to handle this bill.

Hon. Mr. Drea: Mr. Chairman, I can understand the differences in the member's view as long as it was insurance under conventional methods.

I would like to say just one thing on this democracy and the more money one has. I think the member, if he would look at it objectively, would realize this is corporate responsibility. The multiple vote is based on the fact the more risk one is carrying on one's shoulders the more one is going to have to pay out. If the member wants a pooling arrangement where those who are taking the biggest risks are going to be in a minority position, and there is no method to attempt to equalize that situation of the

enormous financial responsibility they are carrying, then indeed I suggest to him he is verging on corporate anarchy.

Mr. M. N. Davison: I would prefer to call it democracy: one corporation, one vote.

Mr. Breithaupt: I have a comment with respect to subsection 15 of section 10. It is interesting to see the Regulations Act does not apply in this instance to an order of the superintendent made under the section. Why is that?

Hon. Mr. Drea: There is nothing sinister about it. On the recommendation of the legislative counsel when the superintendent makes an order it is his order, not an order as of the whole of the government or of the executive council as you would have in a regulation.

Mr. Breithaupt: So presumably this allows him a quicker way of getting an order in place, rather than going through the regulations approach with publication and approval by cabinet.

Hon. Mr. Drea: It could; but you could, of course, have a convenient day for putting out an order, if you were under the regulation method. Thursday is a very good day in the off season. It is possible you could get through all the intricacies on a Thursday, including having it filed. But if it happened to be a Monday, a Tuesday, or late Friday, it would be extremely difficult. It would be virtually in the form of an order which the courts hopefully would interpret as having been finally legitimized by the regulation when it came out.

I have been informed by other legislative counsel that without this subsection 15 there was doubt as to whether these were administrative orders or legislative matters. This provision dispels that doubt, it is an administrative order.

Mr. Sweeney: I would ask the minister's indulgence in raising this particular point, because I am not sure whether it belongs under section 10 or whether it may come under the making of regulations in section 15 or section 16.

I am thinking of a situation where a company makes a decision to pay out a claim and on the basis of that the insured has his premiums increased the next time around. If the one being insured wishes to challenge the company on whether they should have paid the claim and asks for the right to see the company's file, does that right reside as an article or a bylaw of the Facility Association or does that right reside as a regulation of the ministry? Where does such a right reside, if in fact it resides anywhere?

Hon. Mr. Drea: It is not under the Facility Association. As I explained the other night, your policy doesn't have on it Facility Association. Your policy is a conventional one, from either the agency or the particular company it went to before you were referred to the Facility Association.

While the right to see your file isn't stated specifically in the Insurance Act, nonetheless it is established by administrative order for as long as there has been a superintendent of insurance. If the company refuses you your file, then obviously the superintendent of insurance will obtain that file and will take care of the matter. That has worked extremely well over the years.

I think in fairness to the companies, there hasn't been that reluctance, over the past few years, if indeed there ever was any, because the number of inquiries about it are diminishing quite rapidly in the superintendent's office. I say that on the basis of particular referrals from members of the Legislature. Quite obviously, with the increased scope of individual members of the Legislature, if there were ever any real difficulty out there I am sure it would be reflected in the inquiries being referred to the superintendent of insurance.

Mr. Sweeney: If I may react just very briefly to that. The question was raised at this time because a constituent of mine had that very problem. It was brought to the attention of at least the superintendent's office, if not the superintendent himself. My recollection is that the company more or less told us to go jump in the lake. We didn't in fact get the information we wanted. When we challenged the company, they said there was nothing that forced them to do so, it was entirely at their discretion whether they should do so.

The reason I am raising it at this particular point, Mr. Minister, is that I'm wondering whether or not the sort of general bylaws of this Facility Association might say they are or are not going to let our insured people see the files. I am raising the point in that context. I wonder whether or not we shouldn't have something more concrete if the experiences I and my constituents have had are in any way a general experience?

Hon. Mr. Drea: I say to the honourable member, I don't know who told him that showing the file was a discretionary matter. That may have been an initial reaction to the letter, but I would be somewhat irate if a carrier were to tell the superintendent of insurance this was a discretionary matter. After he came down from the ceiling, there would be a sudden summons for a chat.

I understand the member's point, but the Facility Association wouldn't have his record. The record he wants to check is how the Facility Association rated him which would be with the carrier or the agent on the face of his policy. There is no need to query the Facility Association. By the same token, the policy must show the classification into which he is placed and he has every right to challenge that.

I am informed by the superintendent of insurance that we rarely have cases where the customer is in doubt. In this case, the member says the customer apparently is still in doubt. I would like to see that case, because as I said to the member the administrative practice has been there a long time and collectively, is working extremely well. I really would like to see the specifics on this matter, and I am sure the superintendent would like to take a look. It may be one thing to write a letter and say to somebody it is discretionary; it is not very discretionary if the superintendent of insurance orders it done.

It is very interesting. A member of this Legislature very seriously questioned his rating because he was being charged very high rates, although he was conviction free. He discovered these high rates were the result of a few things his son and wife hadn't got around to telling him. The son had a little bit more than one conviction; the wife had a little bit less than a perfect driving record. He apologized to the insurance company, but the point is, he had quite free access without us. So I would like to go into that particular case.

I give you section 12 of the Insurance Act: "The superintendent may direct to an insurer any inquiry touching the contracts or financial affairs of the insurer, and the insurer shall make prompt and explicit answer to any such inquiry, and in the case of refusal or neglect to answer is guilty of an offence."

So that I would like to see that.

Mr. Sweeney: Mr. Chairman, one last point: Do I also understand that an insured person has the right to challenge the company on the basis upon which his rate is set?

Hon. Mr. Drea: Yes; and the most effective way is through the superintendent of insurance, because the superintendent of insurance gets the documents and checks off that the rate actually has been applied correctly.

In most cases where a rate is challenged there has been a typographical error or some error in transmission, and it is settled very easily. In some cases more than one person has been driving the vehicle and they sometimes haven't exactly confided with the insured. These things are done very amicably.

The difficulty is that the accident reports or the driver's record of the accidents does not show who was at fault. Obviously, if a person has been with a company for years and the company paid out a claim, they know that person was at fault. But when people changing insurance companies for any number of reasons—they like somebody better or rates or convenience or they have moved to another area—they are a fresh case. The convictions are listed on an MTC abstract, but one of the difficulties is it may say Mr. Drea has had two accidents, but it doesn't say whether Mr. Drea was at fault or innocent. It just says there has been an accident involving me reported. Then, of course, you get into additional information.

[8:30]

When you've been with one company and it has paid out or collected for you and handled the matter, obviously from its own records it knows. Sometimes you get into an area of difficulty when they want to know some details about the accident and so on. Sometimes it's also true that a motorist who was in an accident is really convinced he is innocent and he's really upset when the insurance company pays out. It's all right for you to feel you're innocent and that person up there really did it to you, but when you get down to the objectivity of it there has to be responsibility assigned and the one group which does this is the company. People say, "The insurance company paid out because it was cheaper to settle than to fight it in a court." That's a very difficult thing to sustain, because obviously then everybody would be paying out great amounts of money to stay out of court and the whole system wouldn't be there.

In addition to that section I read we have the catch-all, which is probably the greatest catch-all of all, the "unfair discrimination" clause, which is section 388 of the Insurance Act. We can call them in on anything we regard as potentially discriminatory and the obligation is on the carrier to show it is not discriminatory, in other words that the rate or class or what have you in the policy is verified and is on the basis of objectivity rather than a particular whim.

Mr. M. N. Davison: Only one last question, Mr. Chairman, before we leave the Facility Association part. It arises out of the Facility Association board of directors list the minister gave me. I have two questions: Does the minister feel it's inappropriate for those insurance companies that were nabbed by the

Anti-Inflation Board for overcharging their consumers to be represented on the Facility Association board of directors; secondly, does he not think it's improper for a member of the board of directors of the Facility Association to be either resident outside Ontario or representative of a firm from outside Ontario?

Hon. Mr. Drea: On the second one, very simply the answer is no, because of course people don't necessarily just drive or have accidents in the province of Ontario.

Mr. M. N. Davison: What's that got to do with it?

Hon. Mr. Drea: You may be driving your vehicle in another province where you're hit by an uninsured driver and the same Facility Association may become involved in the other province. I doubt if there would be anybody from Saskatchewan, British Columbia or Manitoba. Their systems are a little different; their insurance is really only valid as long as you are in the province.

Going back to the first one about the AIB—

Mr. Foulds: What was that?

Hon. Mr. Drea: The AIB.

Mr. Foulds: The way you muttered—

Hon. Mr. Drea: I would say to the member for Port Arthur that I've been accused of a lot of things in this Legislature but never of speaking in less than very pungent tones.

Mr. Foulds: Pungent is sometimes not clear.

Hon. Mr. Drea: I'm no defender of profiteering, nor a great admirer of the AIB, but it is far too simplistic a statement to say "we're nabbed by the AIB."

Mr. M. N. Davison: It's true though.

Hon. Mr. Drea: Yes, it is true, but it is true on the statistical and guideline basis devised by the AIB.

Mr. M. N. Davison: Well?

Hon. Mr. Drea: I will tell the member. The AIB rated insurance companies on the basis that the best insurance company was the one that paid out lots of claims, had constant losses and didn't try to get good drivers, and so on and so forth.

Mr. M. N. Davison: You can't cover up the Allstate $15 million ripoff.

Hon. Mr. Drea: I'm not covering up for anybody. I would say to the honourable member—and I'm going to make it short and sweet—the answer to the first part of his question is no; the answer to the second part is no.

Mr. M. N. Davison: I can understand the AIB ripoff part because I've raised this issue numerous times with the ministry—

Hon. Mr. Drea: Not with me.

Mr. M. N. Davison: Oh yes, I have raised it with you. I'll be happy to get the Hansard out for the minister. I raised it with you on second reading debate of this bill and I raised it during your first set of estimates in the House. If the minister can't recall, I'll be happy to get copies of both of those Hansards so he can read them.

I can understand the way the government has reacted to the AIB ripoff and I can understand their kidglove approach with Allstate which is guilty of nothing short of profiteering, but the out-of-province one I'm not quite sure I understand.

Under the current Facility Association there are only two out-of-province companies or individuals named on the board of directors. If the minister says there is no reason for a BC, Saskatchewan or Manitoba representative, I'm not at all sure of the reason for representatives from Quebec and Alberta, without representatives from the other provinces in the country. I'm not quite sure I understand his argument.

Is his argument that we have to have out-of-province representation in case an Ontario driver is driving in one of those provinces? If that's his argument, then he should have somebody on here from New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, what have you—or the United States, because we have drivers who zip across the border on occasion.

If that's his argument, I'm not quite sure—What is his argument on the out-of-province one?

Hon. Mr. Drea: Very simply, these are where their head offices are. I'm sorry I misunderstood the member's question.

All these companies are licensed in Ontario. They do business here. They have many operations here. It's a simple fact of having on the association board a director from that company and where that particular person resides doesn't matter. All these companies have capital in this province. They have offices. They have agents or they are direct sellers. They have been in business here for a very long time.

I don't know what the member's suspicions are about the province of Quebec. There's a company there that sells insurance in this province. It's going to carry a portion of the risk. Why shouldn't somebody from that company be on the association's board of directors?

You know for a man who believes in international trade unions that is a question that should be asked.

Mr. M. N. Davison: All the servicing carriers are Ontario companies; every one of them. But on the board of directors of the Facility Association it appears to me there is somebody who is the general manager of Western Union Insurance Company and the address given for this person is a Calgary address.

Is the minister suggesting that that person, Mr. Kenny, is resident in Ontario personally but the head office of the company he represents is in Alberta?

Hon. Mr. Drea: Yes. Because the company is licensed to sell in Ontario. There are companies whose head offices are in the UK; they're licensed to sell in Ontario. There may be a company that has its head office in Ontario and is not licensed to sell here. I don't understand the member's concern about the geography.

Mr. M. N. Davison: Let me put it very simply. We have a Facility Association to deal with problems in Ontario that is selling to a captive market of Ontario citizens. What I don't understand is why 20 per cent—unless my mathematics are wrong—of the board of directors is from out of the province or representative of companies from out of Ontario. I don't see why it isn't an all-Ontario board of directors.

Hon. Mr. Drea: Because the insurance companies that are licensed to sell in this province have their head offices and their operations in other areas. If a company licensed to sell in Ontario happens to have a head office in Alberta, none the less it is a Canadian company. The person who is sitting on the board is a Canadian.

The simple fact of the matter is that company is bearing a proportion of the risk in Ontario. If you're talking about the gentleman from Alberta, he is not sitting there because of what happens in Alberta. He's representing his firm, which is assuming this risk.

Remember, the Facility Association isn't for you, as I presume you're not a high-risk driver. The Facility Association isn't an insurance company, it is a pooling arrangement. The directorship and so forth are based upon the servicing carriers. Secondly, the votes in there are based upon the degree of responsibility for those high-risk drivers.

If you want to turn it around and have compulsory insurance without the Facility Association and just say, "Mr. Motorist, go on out and try to buy it," then say so. It's a pooling arrangement that allows prompt and proper issuance of insurance. Secondly, it doesn't disturb someone like me who happens to insure with a relatively small company, because if that company were compelled to take a large number of high risks, and those high risks proved accurate, then my premium would have to go up because that company would have to recover its money to stay in business. It's a pooling arrangement. I don't understand the concern.

Section 10 agreed to.

On section 11:

Mr. Deputy Chairman: Mr. Davison moves that section 11 of the bill be amended by adding thereto the words, "and the minister shall then lay the report before the assembly if it is in session or, if not, at the next ensuing session."

Hon. Mr. Drea: We will accept the motion.

Mr. M. N. Davison: I understand the minister is going to accept the amendment as offered.

Hon. Mr. Drea: Are you going to talk or not? If you're going to talk, I'll listen and then I'll have to make up my mind.

Mr. Foulds: You already said you'd accept it.

Mr. McClellan: I heard you.

Mr. M. N. Davison: What? I thought I heard you say you were going to accept it.

Mr. McClellan: Yes, he did.

Mr. M. N. Davison: Then I will sit down.

Mr. Deputy Chairman: Let's hear what the member for Kitchener has to say about the proposed amendment.

Mr. Breithaupt: No, I'm quite prepared to listen to the proposer, Mr. Chairman. I would have presumed this information would be included in the annual report anyway. Why it would have to be precisely, or separately, brought before the assembly is beyond me. I am interested to hear what the proposer has to say.

Mr. M. N. Davison: There are reports and unless a report specifically has to be tabled before the assembly, it's up to the minister to decide.

I might remind the Liberal critic that until a very short time ago, this was one of the few ministries, if not the only ministry in the entire government, that wasn't compelled by legislation to provide an annual report to members of the assembly; hence, there were no annual reports from the Ministry of Consumer and Commercial Relations to the assembly. The ministry now, however, provides them.

I'd like very much to nail this down and make sure it's a legislative requirement to

provide those reports because, who knows, at some date there may be a minister more secretive than the current minister and we wouldn't necessarily be getting those reports tabled before the assembly. With them tabled before the assembly, we are then able to put them out to committee to examine anything that may be contained in that report.

Hon. Mr. Drea: It's one of my responsibilities to table the annual report of the superintendent of insurance. We've said there will be a special section in there dealing with the Facility Association in addition to all else that is there. That is tabled before the assembly.

Yes, I'll accept this amendment but as I said the other night, I consider it redundant.

Mr. T. P. Reid: Why accept it then? Why put the taxpayers to the extra cost?

Hon. Mr. Drea: Because I have to do it anyway.

Mr. T. P. Reid: Why do it twice?

[8:45]

Hon. Mr. Drea: We don't have to do it twice, it will only be done once.

Mr. T. P. Reid: You don't need the amendment at all.

Hon. Mr. Drea: I will say to the member for Rainy River, I regard it as redundant. I am sure he regards it as redundant. I am sure the member of Kitchener regards it as redundant. But there seems to be a paranoia around here that unless you get things like this spelled out, they don't occur.

Mr. T. P. Reid: You have given a commitment that you are going to do it, so why put the taxpayer—

Hon. Mr. Drea: In all fairness, if the member was here the other night, the suggestion was that things might change, and that somebody would come along who would ignore the particular commitment.

It isn't going to cost the taxpayer any more, I will still table the same blue-covered report with the Clerk. Obviously it is perfectly available to committee or to anything else.

Mr. M. N. Davison: With the greatest respect, whatever the personal guarantees of the minister, they are not worth anything after he has left that ministry. I am sure I can argue with the current minister to live up to his guarantees. But it is clear that when ministers change portfolios in that government, the guarantees of the former minister go with that person to his new hunting ground.

I suggest the member for Rainy River read section 11 and he will find the following phrase, regardless of what it is the minister says, "The superintendent shall make an annual report to the Minister of Consumer and Commercial Relations on the affairs of the association." There is nothing in that section which guarantees that this report will find its way before the assembly, unless we adopt something like the amendment I propose, and I would like to make sure.

Mr. Deputy Chairman: Any further discussion?

All those in favour of Mr. Davison's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Mr. Foulds: You should have said "aye," Frank.

Hon. Mr. Drea: I did, but I can realize some of the sentiments in here.

Mr. Deputy Chairman: There was no question that the "nays" were much louder than the "ayes."

Hon. Mr. Drea: Mr. Chairman, you heard mine. I tried to be as loud as possible.

Mr. Deputy Chairman: No, I didn't.

Hon. Mr. Drea: Mr. Chairman, this puts me in a very difficult position, because you made your ruling and it is extremely difficult for a minister of the government to challenge a ruling. There are some implications in that.

I think in fairness, Mr. Chairman, the member was assured, and I think other members may have been lulled into a certain sense of complacency, by the fact that the amendment appeared to be rather routine in its passage. It puts me in an extremely difficult position, Mr. Chairman.

Mr. Deputy Chairman: By unanimous consent I am prepared to reopen the matter.

Mr. Breithaupt: I suggest, Mr. Chairman, that if the minister had given an undertaking that this should be included, then the House should honour that, and perhaps we could take the vote again.

Mr. Deputy Chairman: With unanimous consent then, I will place the vote again. You have heard the amendment.

All those in favour of Mr. Davison's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion this time the ayes have it.

Motion agreed to.

Section 11, as amended, agreed to.

On section 12:

Mr. M. N. Davison: Knowing the minister's dislike for legalese as it appears in legislation, I have a question on 12(2)(a). I think we have come across a new language called corporatese. I am not sure, in the context of that subsection, what the phrase, "an insurer running off its business" means. I wonder if the minister would enlighten me as to that. Could the minister tell me exactly what is meant by that phrase?

Hon. Mr. Drea: That is where the company has the consent of the superintendent to cancel its business. It has become insolvent or is winding up its business for any number of reasons. Bear in mind, the company cannot cancel policies. If the company is going out of business and there is still a remnant of policy left, it obviously has to have some vehicle where, with consent, it can dispose of that contract. It may be a company which has become insolvent.

I know an automobile insurance company that is on the ropes now because of certain other circumstances in the province. They have some general lines not involving automobile or casualty insurance. They are in a rather delicate position at the moment.

There is always a provision in an insurance act that if a company gets into a technical insolvency, which means it has enough money to pay claims now but it has no reserves to anticipate future business, no reserves on the honour and premium of additional policies, the superintendent of insurance has the authority to begin a winddown procedure to make sure the honour and premium insurance is reinsured elsewhere so the particular person who is insured is protected.

The superintendent has to approve the company going out of this business and it must do so under conditions ordered by the superintendent. This is of great benefit to the customer. If a company were going out of business because of insolvency or because it didn't like eastern Canada any more, or any number of reasons and decided to cancel its automobile line, there are people out there with seven, eight, nine, 10 months of insurance left and here is a company saying, "No, you can't cancel or transfer to somebody else," that person will have proper insurance, proper service and so on. The reason for this is because the bulk of the section deals with the fact a company cannot cancel.

Mr. M. N. Davison: I didn't raise this because I disagreed, I raised it because I don't understand. I take it what the minister is saying is the phrase in this context, "an insurer running off its business" means not that it is getting rid of one or more contracts, not that it is getting out of the automobile insurance business, but that as a corporate entity, it is disappearing. Do I understand him rightly?

Hon. Mr. Drea: I don't know whether it is going to disappear or not. It is not getting rid of one or two high-risk policies, it is not getting rid of part of its portfolio; it is getting rid of all its portfolios.

All we are concerned with in this act is the automobile insurance. It may very well be they decided there is not enough volume for them. Perhaps it is a small company which at one time or another had volume in a specific area of Ontario. I can see something like this occurring with the extension of the Farm Mutual, the Ontario companies, into this field. They may decide the volume isn't sufficient. They want to run off the business.

The difficulty is without this the customer would be left protected, but not quite as well and as conveniently protected, because of the overall thing that you cannot cancel. It's not one or two or a portion, it is all.

Mr. M. N. Davison: The company then has to get rid of all of its automobile business. It can keep any other business that it has—

Mr. Breithaupt: All of the one kind.

Hon. Mr. Drea: All of the one kind, all of the auto.

Mr. M. N. Davison: All of the auto, right. It can keep any other insurance business or—

Hon. Mr. Drea: It can't keep you as an excellent driver and cancel everyone else.

Mr. M. N. Davison: Yes.

Mr. Breithaupt: Or vice versa.

Mr. M. N. Davison: I have only one other question about that. Is there some procedure by which that company can at another time, more than a week later I suppose, get back into the auto insurance business?

Hon. Mr. Drea: Only with the approval of the superintendent.

Mr. M. N. Davison: I take it that approval would be withheld if the superintendent had some suspicions about the reason for which the company was running off its business?

Hon. Mr. Drea: Once we have a winddown or the running off of a business, the person historically hasn't come back. It's a big decision, because first of all, they're letting go their whole portfolio; they are not going to have any renewals; they are virtually having to start all over again. We will want to know, since they left at this partic-

ular time and they are out, what terribly unusual circumstance has brought them back in to make them think they will do well this time. We would really like to have it documented.

There are some examples. A number of American carriers vacated the province some years ago because of the refusal of the superintendent of insurance to allow them to pass on rates that reflected losses in the United States. They felt because they had substantial losses in the United States and had raised their rates there, they should be entitled to that identical raise in Ontario, notwithstanding their claim experience in this province was much lower and didn't justify that. On the basis of not being able to treat Ontario as part of a continental market, they left.

All right. If one of those were to attempt to come back, I will say before the superintendent of insurance even discussed the matter seriously with them, both the minister and the superintendent would want to know what extraordinary thing had taken place that, having disposed of their business, their law firms, their offices, their whole portfolio, they suddenly found this possible. It just doesn't happen.

On the insolvency, of course, if there was an insolvency obviously they wouldn't be in a financial position to meet the tests to be able to come back anyway.

Mr. M. N. Davison: One very quick final aspect of that: Is it normal in the case of insolvency or maybe in some case that was suspicious, that the superintendent would be watching for the names of directors of that company reappearing under a different corporate name?

Hon. Mr. Drea: I can assure the honourable member, in that particular branch and in other branches of the ministry, we have pioneered the approaches that are going to be taken under the new Bankruptcy Act. I have assurances from the federal government in front of their poor draftsman who has been languishing for years trying to get one, that those tests will be there. Very, very simply, insurance is just too delicate, intricate and intimate and a dependency relationship where people have to rely on the integrity of the company to have standards that might be acceptable in some areas of the marketplace where the relationship is very impersonal.

Section 12 agreed to.

Section 13 agreed to.

On section 14:

Mr. Deputy Chairman: Mr. Davison moves that section 14(2) of the bill be amended by adding the words, "the minimum penalty that may be imposed upon the insurer is $5,000" following the words, "subsection 1." [9:00]

He further moves that section 14(2) of the bill be amended by striking out "$25,000" in the third line and inserting in lieu thereof $50,000."

Mr. M. N. Davison: Mr. Chairman, I have two reasons why I am concerned about this, the first dealing with the minimum. Since I have entered the assembly I have seen cases where, not only in this kind of legislation but in all sorts of legislation, we have what I would regard as substantial fine clauses of $25,000, $50,000 for a corporation, and a pattern of decisions handed down—fines of $300, fines of $27, fines of $600—time after time in other broad areas of legislation.

That worries me because that's no kind of fine for these sorts of corporations. It seems I bring this up every time I speak on one of these amendments, but Allstate, a $15 million ripoff type of corporation, you threaten them with a fine of $25,000 if they're caught breaking the law and they get a fine of $400. That's not a fine, that's a licence to operate. If we put in some kind of bare minimum—I'm suggesting $5,000 and we're willing to listen to a compromise, but I think $5,000 would be reasonable—I think that would be a good idea.

If the members think it's unfair to treat a corporation in that way, I would refer them to the way we are treating citizens of Ontario under this same legislation. I refer them to section 2 where we talk about fines for individuals contravening that section.

If you get caught driving without your insurance card, the appropriate section says a person "guilty of an offence and on summary conviction is liable to a fine of not less than $500 and not more than $2,500." If we're going to say that we're going to dump on an individual to the tune of $500 I think we have to have a parallel sort of situation for the corporation that breaches these laws.

Hon. Mr. Drea: Five thousand dollars and $50,000?

Mr. M. N. Davison: Five thousand and $50,000.

Hon. Mr. Drea: All right.

Mr. M. N. Davison: Thank you.

Hon. Mr. Drea: One of the reasons why the minimum wasn't put in there—and with all due respect I think I've got the largest fines under my prosecutions that have ever

been imposed against corporations, especially in the business practices area—the reason we didn't put in a minimum is that the penalty that is not here in dollar terms is far more substantial, because it can be loss of licence.

However, I agree, for the sake of consistency. The member is quite right. The penalties for those individuals who are convicted are laid out very, very graphically for the rather obvious reason that they are the key to enforcement, they are the key to adherence to this legislation. Five thousand dollars and $50,000 is fine with me. There was a reason for the figures in the bill. It wasn't an ignorance of the implications, but it was because the penalty, the loss of the right to do business, which is enormously substantial, wasn't in that particular section. So the amendment the member proposed is all right.

It is $5,000 and $50,000 on your amendment?

Mr. M. N. Davison: It is.

Motion agreed to.

Mr. Deputy Chairman: Mr. Davison moves that section 14(4) be amended by adding the words "not less than $5,000 and" following the word "of" in the fourth line.

He further moves that section 14(4) of the bill be amended by striking out "$25,000" in the fifth line and inserting in lieu thereof "$50,000."

Mr. M. N. Davison: For the record, I might say this simply applies to the association as opposed to the corporate offenders that might have been cited under section 14(2).

Motion agreed to.

Section 14, as amended, agreed to.

On section 15:

Mr. Deputy Chairman: Mr. Davison moves that section 15(a) of the bill be deleted and that subsequent subsections be renumbered accordingly.

Mr. M. N. Davison: Mr. Chairman, this is one of the subsections that always bother me, the regulatory powers as opposed to the power of the assembly, and it is one that has appeared in a number of proposed bills from the Ministry of Consumer and Commercial Relations. On at least one previous occasion that I can recall—the old Income Tax Discounters Act—I moved the same amendment and the then minister accepted it.

I don't know what the current minister's position is on this kind of regulatory power, but it seems to me it would be a fairly modest sort of amendment to the bill if the minister wanted to exempt any person or group of persons. If it isn't modest, then one assumes it is highly controversial; if it is highly controversial, it is the kind of thing which should come back to the assembly rather than the exemption taking place by regulatory powers.

I think it is important that as frequently as possible we strike blows in this assembly for government by legislation rather than government by regulation. If there is good reason for the minister to want to exempt any individual person or corporation, or any group of persons or corporations, or what have you, from conditions set out in the regulations, then he should come back to the assembly and provide those good and sufficient reasons.

I would urge members to support this amendment so that we in this assembly can be making the decisions rather than having the decisions made by the Lieutenant Governor in Council.

Mr. Breithaupt: Mr. Chairman, with respect to this amendment, I wish to advise you that we are completely opposed to the making of this amendment.

If the member had looked at the first volume of our report, in chapter 24, he would have seen that particular representations were made to the select committee by the Conservative Mennonite Churches of Ontario; this report, of course, was agreed to by the four members of his party at the time.

The way this exemption is being handled is by having the section—section 2, as I recall—requiring that insurance be compulsory, and this section 15(a) is what is available to us to accommodate this particular exemption. There are some other possible exemptions which may occur with respect to some of the self-insuring operations of government, and that is something the cabinet may decide on.

In any event, the exemption is there following the request of this special and small group which, because of religious conviction, has asked not to have to purchase insurance but will be covering their obligation by the placing of a bond, or some indenture of that nature, in accordance with the instructions and directions of the superintendent.

The bond approach is the way in which this problem has been resolved satisfactorily in several of the northern United States, and it is one which I believe can be readily accommodated following the comments in the report and following the traditions of this group, which is not a new group suddenly on the horizon but one that has followed this substantial matter of principle as long as there have been automobilies in Ontario.

As a result, Mr. Chairman, the continuation of this exemption, knowing its purpose, is something that we favour and we will oppose the amendment.

Mr. Deputy Chairman: Does the minister wish to reply?

Hon. Mr. Drea: Very briefly, Mr. Chairman. The member for Kitchener, who is also the chairman of the select committee, has put forward his case. We do intend to exempt that religious community, no question about it. I don't know under which particular standard I will exempt but if I do not have the flexibility to exempt, there's no question at all that the Mennonite community will provide an acceptable device that will ensure prompt payment whenever any of its congregation are at fault.

If I have legislation, I don't want to be in a position of being so much affected by the details of the legislation that I can't, from time to time—through the superintendent of insurance—be flexible. The only other one we foresee is the federal government. I suppose I could start a war with the federal government by saying, "As of December 1, your vehicles had better have insurance with an insurer within the meaning of this act." The federal government will tell me to go whistle and I'm rather afraid if we go to the courts that the courts will tell me that the federal government can tell me to do the same.

I do want some flexibility in here. There may be another religious community, there may be other places. I happen to think that government is big enough so that from time to time it can be flexible enough to meet very substantial and sincere matters, particularly of conscience or a religious or a moral sanction that people have imposed upon themselves as part of their beliefs. I don't think it weakens the act at all but I do want the flexibility and will not accept that particular regulation.

I don't understand the suspicion about this bill. I am also directed by this report—it tells me what to do. The member shakes his head. If there's anything in here that's clear, it's where it says, "Given exemption to a religious community that is established . . ." et cetera.

If you want to start putting this in legislation I'm going to be faced with all kinds of definitions of religious communities, et cetera, one of which I have now on another matter. If I can deal with it in regulations, the intent of the select committee will be met in a flexible manner. I really don't see the need to put it into legislation, which only ties my hands and then I have to start getting all kinds of sections in there to make sure we can deal with every eventuality that comes along.

Mr. M. N. Davison: I'm not going to argue to convince members of the other two parties to support my position. I would like to explain the situation in regard to the recommendations of the select committee and the way in which the minister has chosen to act on them.

The minister had two choices before him when he saw he wanted to accept those recommendations. The first choice was to put them into legislation and say the select committee has proposed a valid exemption that this church should not be subject to all of these various changes, that the situation for this church should be as follows, that the situation for the federal government should be as follows.

Hon. Mr. Drea: I can't do that with the feds, you know that.

Mr. M. N. Davison: The minister just argued that if he had to, he may have to make some adjustments because of that.

[9:15]

Hon. Mr. Drea: Mr. Chairman, I'm sorry if I misled the member. I want to tell him there is no way, constitutionally, this province can say to the federal government it is going to do this on its own property and with its own property. That's the point I was trying to make. The federal government does not have to buy compulsory insurance. They can tell me they are self-insured, and we have to issue them a licence.

Mr. M. N. Davison: I make the point only with the church that is cited in the select committee report. The minister had the capacity to put that in the legislation so that church and its members would be exempt from those provisions and could continue to take care of their problems as they have always done. Every member of this House would have respected that decision.

The second choice the minister had was to give himself a broad power by way of regulation to exempt persons and corporations and anything else from those parts of the act. And the minister didn't do that. He took a third alternative, which I think is not an appropriate one. I would ask that people understand what that exemption power is.

The Lieutenant Governor in Council may make regulations, the cabinet may make regulations, exempting any person or group of persons from the provisions of this act, subject to such conditions as may be set out in the regulations. The "subject to" is not relevant because those regulations will be set by the same process.

This means the minister can exempt any person or group of persons from the provi-

sions of this act. This means the minister can decide that Bell Telephone can be self-insured. It means the minister can do a lot of things and those exemptions will in no way be ultra vires because he will have such a broad power to make regulations, to make exemptions by way of regulation.

It seems to me the minister had two choices. One was to put it in the legislation so we could deal with that problem. The second was to give the minister a very narrow and well-defined regulatory power. The third choice, which the minister has made, is to provide himself with a power to exempt anybody, for any reason, from any provision of the legislation. That's not flexibility; that's pretty far from flexibility. We run into that so frequently in this House. The government can change a piece of legislation by regulation, over a fairly short period of time, so that it's almost unrecognizable from the original legislation passed in the assembly.

I really believe that kind of broad power to exempt is inappropriate in this case and in almost every other case I've seen since I've been a member here. I suggest we remove that power and put into place this exemption for this church or give the minister a better-defined power to exempt.

Hon. Mr. Drea: In brief reply, the minister considers the flexibility that he wants only fitting and proper.

Mr. Chairman: All those in favour of Mr. Davison's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 15 agreed to.

On section 16:

Mr. Breithaupt: Mr. Chairman, perhaps the first thing to do is to deal with subsection 1, which refers to the carrying of an insurance card. The repeal of that subsection causes no problem at all.

Section 214 of the Insurance Act deals with certain exceptions from liability. They are set out under three circumstances: subsection (a) refers to liability which is imposed by any workmen's compensation law upon any person insured by the contract; subsection (b) refers to liability resulting from bodily injury to or death of any person insured by the contract; subsection (c) refers to liability resulting from bodily injury to or the death of any employee of any person insured by the contract while engaged in the operation or repair of the automobile.

It could be said then that section 214 deals with three particular themes: first, the workmen's compensation situation; second, a husband and wife situation; and, third, the garage employee who may take the car out for a test drive and be involved in an accident, resulting in some question as to which insurance applies. It seems to me it may be reasonable, perhaps, to remove the second matter of the husband and wife circumstance; indeed, it may even be reasonable to consider removing the garage circumstance; but I cannot understand why we are removing the compensation board situation.

I asked for comments from various parts of the industry with respect to the sections of the bill and the ones dealing particularly with section 16 have been referred to me by the legal division of the Insurance Bureau of Canada, through the actions of Mr. Kennedy, who is the assistant general counsel. Mr. Kennedy reviews these various parts repealed by section 16(2) and he refers to this particular area I referred to dealing with the Workmen's Compensation Board circumstance. His letter, in part, goes as follows:

"It seems to us that if an employee of a schedule two employer is injured or killed while driving a vehicle in the course of his employment, even if it is entirely due to his own fault, his employer is liable up to the Workmen's Compensation Board scale and would then, with the repeal of this particular provision, be able to make a claim against the automobile liability insurer. Quite frankly, this is an additional exposure for insurers and has nothing whatsoever to do with the introduction of compulsory automobile insurance. We would much prefer to see this provision retained, for it may have implications for insurance companies beyond what is expressed above.

"Paragraph (b) of section 214 has been repealed, presumably because of the introduction of the uninsured motorist cover. We are not very concerned about this, although it may have some odd results; for example, if I'm a passenger in my own vehicle and the driver is negligent, I'll be able to sue him and, if successful, recover from my own insurer.

"As in the case of paragraph (a), we feel that the repeal of paragraph (c) of section 214 has little, if anything, to do with the introduction of compulsory automobile insurance. While we're not terribly concerned about this, we would prefer to see it left as it is."

I pointed out the three component parts and the circumstances whereby perhaps the latter two may well be repealed and not considered important. The matter of the compensation board situation, though, is of some

concern, and I'd appreciate hearing from the minister as to why he thinks the whole section should be repealed.

Hon. Mr. Drea: Quite frankly, the reason is that it is of such limited application we don't think it is significant. Secondly, we want the person to be able to have the claim settled as rapidly as possible. We feel by deletion of that section we just make it a little clearer. It's a compulsory program.

It's our concern that when we didn't have compulsory insurance a number of these things were introduced over a period of time, and now we are in the process of bringing in compulsory insurance we are trying to get rid of a number of things that may not be important any more. That was our particular choice on this. Were it to be left in I don't think it would be extremely significant, but in terms of faster and more efficient claims settlement, we think it might have a small benefit.

It is one of those sections that has been around for a while and I suppose that, as in any other field but particularly insurance, somebody has had a particular case involving its application and that is probably why it was in there in the first place. It is therefore carried on and when one has once relied upon it, perhaps in a different situation, then obviously one is somewhat reluctant to see it go. But quite frankly, its significance staying or its significance going is very, very minor, because of its extremely limited application.

Mr. M. N. Davison: I have managed to become totally lost. The member for Kitchener had a set of amendments that I received the other day, a replacement set of amendments, and I thought I just heard him discussing the section that one of the amendments applied to. Does that mean that—

Mr. Breithaupt: If I may, Mr. Chairman, my amendments refer to subsection 3 of this section. In this instance we are dealing with subsection 2, which is the repeal of another section of the Insurance Act, section 214. The three areas I referred to are the background of section 214, which I will bring over to the member so that he knows what I am talking about.

Mr. M. N. Davison: My understanding is that what we have just been discussing is section 16(2).

Mr. Chairman: Correct.

Mr. M. N. Davison: Okay, now I understand the whole process.

Mr. Chairman: Any further questions on section 16(2)?

Shall section 16(2) stand as part of the bill?

Agreed to.

Mr. Chairman: Section 16(3), the member for Kitchener.

Mr. Breithaupt: Mr. Chairman, this is where things are going to get a little involved and I hope you will be able to bear with me because I will be, at some length, discussing a variety of amendments with the hopes that they can all be turned into a final master amendment that will be put at the end of my comments.

Section 16(3) deals with a rewording of section 230 of the act. This rewording is somewhat intricate and, as you will see from the bill, goes on for some two and a half pages. A number of matters were raised with me by Mr. Kennedy concerning some possible changes that might clarify section 230, as I will refer to it from now on.

These matters dealt primarily with certain changes which might somewhat clarify the details of those persons who would be insured under the contract of insurance. The various changes that were suggested were set out at length in the letter I had received dealing with various minor sub-parts of this section 230.

There were four of these areas and I believe that the legislative counsel and I have been able to agree on a reworking of the entire section so it will include the variety of amendments that had been suggested and make it somewhat more clear just as to how the section is to proceed.

[9:30]

With that, Mr. Chairman, I should advise you that the amendments I had proposed with respect to parts of section 230(2)(b)(iii) have all been accommodated and therefore, I will withdraw those three amendments you have.

In addition, there was an amendment by the minister with respect to a correction of wording to include the phrase "employee or partner," which I believe you will have before you. I understand that too will be withdrawn.

I will now proceed to give you the new amendments which will be proposed and which include all the changes that have been referred to, as best we have been able to do, together with somewhat clearer language with respect to the use of the term "uninsured automobile." This is the result of a complete reworking of the portion following the section 230(2)(b)(iii).

Mr. Chairman: Mr. Breithaupt moves that section 230(2)(b)(iii) of the Insurance Act. as set out in section 16(3) of the bill, be struck out and the following substituted therefor:

"(iii) in respect of a claim for bodily injuries or death;

"a. any person while an occupant of the insured automobile;

"b. the insured and, if residing in the same dwelling premises as the insured, his or her spouse and any dependent relative of either; 1. while an occupant of an uninsured automobile, or 2. while not the occupant of an automobile or of railway rolling stock that runs on rails who is struck by an uninsured or unidentified automobile;

"c. if the insured is a corporation, unincorporated association or partnership, any director, officer, employee or partner of the insured for whose regular use the insured automobile is furnished and, if residing in the same dwelling premises as such person, his or her spouse and any dependent relative of the person or the spouse, 1. while an occupant of an uninsured automobile, or 2. while not the occupant of an automobile or of railway rolling stock that runs on rails who is struck by an uninsured or unidentified automobile, where such director, officer, employee or partner or his or her spouse is not the owner of an automobile insured under a contract."

Mr. Breithaupt: Mr. Chairman, I seem to have been able to clear out most of the members of the House with the placing of that amendment.

This matter is a particularly intricate one, and there have been some attempts to shorten the proposed amendment as set out in the draft bill by using to some extent the term "uninsured automobile," which is later defined as subsection d of the subsection to which I am now referring. While it may surprise a number of members in the House, the amendment I am proposing clarifies somewhat the situation that now exists, believe it or not.

There is a further amendment later on, but I think at this point with respect to section 230(1) and (2) as set out in section 16(3) of the act, that would complete my remarks in that area.

Mr. Chairman: Are there any comments or questions on the amendment?

Hon. Mr. Drea: Mr. Chairman, I find it very helpful in clarifying the act and we will accept it.

Mr. M. N. Davison: I will offer no comments because I wouldn't want to destroy the accord and the rapport the member for Kitchener and the minister have developed over the past 20 minutes.

Hon. Mr. Drea: Mr. Chairman, let it be shown for the record tonight, I was very magnanimous when the member for Hamilton Centre, by misadventure, lost his amendment. It was this minister who prevailed upon the chairman at the time to get unanimous consent. I want to get some recognition for this. My usual approach is unlike Harold Ballard.

Mr. Chairman: Order. Are there any further comments on the amendment before the committee?

Mr. M. N. Davison: On a point of privilege, Mr. Chairman.

Mr. Chairman: What is your point of privilege?

Mr. M. N. Davison: The minister has raised the incident which occurred earlier in the evening and said it was part of his magnanimous gesture towards me, so my amendment could be incorporated in the act. Mr. Chairman, while I agree his gesture was magnanimous I can't agree it was directed towards being of assistance to me but rather to the Liberal Party so they could correct a voting error that would have blotted their record for decades to come.

Mr. Chairman: That wasn't a point of privilege. Are there any further comments or questions on Mr. Breithaupt's amendment to section 16(3)?

Mr. Foulds: I would just like to say, Mr. Chairman, the minister dealt with that amendment with the same foresight and talent and dexterity he dealt with the amendment by my colleague from Hamilton Centre.

Mr. Chairman: Shall the amendment carry?

Motion agreed to.

Mr. Breithaupt: Mr. Chairman, moving right along, we have an amendment which will become section230(2a).

Mr. Chairman: Mr. Breithaupt moves that section 230 of the Insurance Act as set out in section 16(3) of the bill be amended by adding thereto the following subsection (2a):

"Where a dependent relative referred to in section 230(2)(b)(iii)

(a) is the owner of an automobile insured under a contract or,

(b) sustains bodily injuries or dies as the result of accident while the occupant of his own uninsured automobile, such relative shall be deemed not to be a dependent relative for the purposes of this section."

Mr. Breithaupt: Mr. Chairman, as a result of the earlier group of amendments that have now been replaced by this composite amendment, it was necessary to add a subsection which would protect a claim in a circumstance where a person may be considered to be a dependent relative. The example that may be used, as I understand it, is if the parents know a son's car is not insured and they get into it and drive along with him, they cannot claim against their own insurance coverage. This problem may be resolved because in the ordinary circumstance the young person might be considered a dependent of the parents, but in a circumstance where the situation is reversed, there may be problems on coverage.

The details of this will probably have to be dealt with in a regulation to ensure that there is no gap in the coverage that is presumed, but in the meantime it is my understanding that subsection 2a which is now proposed will bolster subsection 2 as it has now been accepted by the committee to complete the intent of the legislation.

Hon. Mr. Drea: It is the view of the legislative counsel that this further clarifies the act by reinforcing the previous amendment which has been agreed upon.

Motion agreed to.

Mr. Chairman: Mr. Breithaupt moves that section 230(5) of the act as set out in section 16(3) of the bill be amended by adding in the first line thereof the words "or available" after the third word "made."

Motion agreed to.

Mr. Chairman: Any further comments on section 16?

Mr. Breithaupt: No, Mr. Chairman, not directly on the section, other than to comment on an additional area that had been raised with respect to how section 230 would fit into the act in accordance with section 234(a) thereof.

Section 234(a) of the act refers to the rights of unnamed insureds and it deals with particulars of liability. It was suggested that reference should be made to section 230 as well as sections 231 and 232 in this section 234(a).

I understand from the legislative counsel that a review of the particulars in the act shows there are presently just three circumstances when uninsured motor coverage ordinarily applies. It applies, of course, when a person is driving his own automobile and where the occupants of that automobile are in collision with a vehicle that is uninsured. It also covers the occupant of an uninsured motor vehicle. Thirdly, of course, it deals with the abilities to protect a pedestrian.

In discussing the matter with legislative counsel there was, of course, an understanding of the concerns that might occur with respect to the liability chain that would exist as sections 231 and 232 would be referred to. There may be some requirement to consider, at some point in the future, whether section 230 should also be referred to in section 234(a).

It is my understanding at the moment that the minister and his staff feel that it is not at present necessary to include section 230 in this listing. As a result I have made the point with respect to its history and background and I acknowledge that this is a matter which is going to be reviewed if necessary. With the knowledge that that review is going to occur, I withdraw the amendment.

[9:45]

Mr. Chairman: In other words, there is no amendment. Are there any further comments on section 16?

Mr. M. N. Davison: I want to be clear. The member for Kitchener is not going to place the amendment he had thought of placing?

Mr. Chairman: The honourable member has not placed an amendment.

Section 16, as amended, agreed to.

On section 17:

Mr. M. N. Davison: I have a question on a matter that is not clear from my reading of section 17. When the time comes in the very near future, that a motorist in the province has to buy compulsory auto insurance and that motorist had earlier paid the $150 fee to the motor vehicle accident claims fund, will he get a portion of that rebated to him?

Hon. Mr. Drea: No. It is no different. You have to take a look at the licensing period. You could have bought a new plate and paid $150 on January 1 of last year—although we don't get many takers for the $150 before February 27 or February 28—but you could have purchased it. You could decide to buy your licence sticker on December 1. But even without this you would still have to pay another $150.

The $150, or the penalty fee, was not insurance. That is the difference. It was not insurance. It was a penalty for saying you would not buy insurance—it is for the licence year. Your licence year can go 15 months. It could have gone from December 1, 1978, when the sticker or the plate was first issued,

right through this year, so you get 15 months and one day, because there is February 29. So anybody showing up on that Saturday who wants a plate will have to sign the back of that form which states the insurance company and the number; it is no different.

Theoretically some years you could have paid the $150 and only carried the sticker for 10 months; you may have carried it for only one month. It is the same with the fee you pay for your licence plate. In some years, if you want to carry it to 15 months, okay, you divide the $80 by 15. Other years it might be 10.

There couldn't possibly be a rebate because you purchased nothing. You paid a penalty fee which didn't absolve you from paying dollar for dollar the claim that was against you. When you said, "No, I do not have insurance," that penalty fee was there and that went into the fund, but it gave you nothing.

I am the last to say there will not be some people complaining, because they really thought they bought insurance. I will tell you what we have done, because I don't want those licence plate lines to be inconvenienced. I don't want the responsible people of this province to have to wait a moment longer. There is a special telephone number and the licence issuers have been told, "Don't argue with these cats. Just put them on to this telephone number. The department of insurance in our ministry will deal with them." We want the lines to move nicely.

Mr. M. N. Davison: So the situation would be that if somebody bought a used car last week and paid the $150, then as of the time this comes into force they will immediately have to purchase compulsory automobile insurance?

Hon. Mr. Drea: You have to remember the licence issuing time is three months. You could have bought a used car last week and paid the $150. You don't have to buy another sticker until February 29. But after that Saturday, starting at 12:01 on Saturday morning, you cannot get a sticker or a plate of any description in this province—a new plate, a renewal, an interim, an anything—without having insurance.

Mr. M. N. Davison: It may be I totally misunderstood the way that fund was operated because I always had insurance and didn't personally go through it.

Does the minister mean that in a year, if a driver owned 12 different cars, he would on 12 separate occasions have paid the $150 fee?

Hon. Mr. Drea: Yes, why do you think they cheated us in ever-increasing numbers?

Mr. Breithaupt: It is a fee, that's all.

Hon. Mr. Drea: You got nothing for it, it was a penalty fee. You were a bad actor; you had to pay into a fund so we could pay out from it.

Section 17 agreed to.

Sections 18 and 19 agreed to.

Bill 160, as amended, reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill with amendments.

THIRD READING

The following bill was given third reading on motion:

Bill 160, The Compulsory Automobile Insurance Act.

CERTIFICATION OF TITLES ACT
(concluded)

Resumption of the adjourned debate on the motion for second reading of Bill 148, An Act to revise the Certification of Titles Act.

Mr. Breithaupt: Mr. Speaker, you'll recall that perhaps when we last met on this bill I was leaving the chamber and trying to find the file because the bill was called somewhat—

Mr. Cunningham: Hastily?

Mr. Breithaupt: —hastily, that's exactly the word. In any event, this changes the Certification of Titles Act and the changes which are in the bill are certainly worthy of support.

The points set out do eliminate some of the steps that have occurred in the past with respect to certification of titles and a number of administrative procedures have been improved upon by the legislation.

The act is quite clear and I don't think there will be a need to go to committee if we can just have a couple of questions answered by the minister in response. The basic questions in which I'm interested deal with the assurance fund.

Can the minister advise us of the size of the fund at the present time, what claims have been paid out or may be pending, if any, and the reasons behind changing the maximum to $500 from the present $300? I recognize, of course, a minimum fee of $25 instead of the earlier $1 is quite understandable as these larger and more expensive properties move under the certification of titles.

There has been the tradition, even in the registry office areas, that under some circumstances there was the opportunity for lands in a certification area to go under the land titles system, whereby all the earlier possible easements, rights of way, old fence corners, or whatever it might be, would be cleared up and the title would be free and clear of any of those ancient wagon paths, driveways, or whatever might have been in the downtown part of the city, as a new, large project is being assembled.

I recognize the need for this assurance fund but, as these funds are built up over the years, one does wonder just how much is enough. Perhaps the minister can comment as to how he sees the present funds and their use. Are they simply sitting there waiting to be used and not being used for some provincial purpose that might be a better use?

Eventually, if we all go into the certification of titles, presumably that fund will become very wealthy. There may be some claims from time to time. That is only understandable. But if we can just get an idea of where the fund is at present, and what the expectations are, there would probably be no requirement, at least from my point of view, to go into committee.

Mr. M. N. Davison: Mr. Speaker, I have no great objection to anything in the bill to revise the Certification of Titles Act. I would make one request of the minister; perhaps he could respond by nodding his head. If the minister could address himself to a brief answer to the question, after I ask it, when he concludes debate, I don't see any need to send the bill to committee either. He could then save incredible amounts of time by that process.

Will the minister assure us that if this bill and the two other bills that are before us this evening, the Land Titles Act and the Registry Act, that when the ministry gets its Polaris project in full working order, which will totally revolutionize, speed up and make so simple the entire process, that will result in an adjustment of the ridiculously high fees that are charged by lawyers for assisting the home buyers of the province in making sure they have met all of the legal requirements that might be necessary? It seems to me that's a problem we have in this province. It's bad enough that we're not doing anything about mortgage rates; these lawyers are getting away with very high charges for what seems like not a great deal of work. I hope somehow this process of his will bring them into line.

Hon. Mr. Drea: Mr. Speaker, in addressing the member for Kitchener, the amount of the fund is $250,000. No claims are pending. The maximum is increased from $300 to $500. The Ontario rate remains at $1 per $1,000 of the combined value of land and buildings to reflect the increase in land values. The fund is not used for government purposes. It is held by an accountant of the Supreme Court.

Mr. M. N. Davison: Does that mean the answer is no?

Hon. Mr. Drea: The answer is no to what? That was in response to the member for Kitchener.

Regarding the second question that was raised, about lawyers' fees, quite obviously the member knows it is beyond my capability to use other than moral suasion concerning fees of the legal profession.

It may dazzle this Legislature, but I'm not one of those who thinks that solicitors in this province are overpaid.

Motion agreed to.

Third reading also agreed to on motion.

LAND TITLES AMENDMENT ACT

Hon. Mr. Drea moved second reading of Bill 149, An Act to amend the Land Titles Act.

Mr. Speaker: Does the minister have an opening comment?

Hon. Mr. Drea: Mr. Speaker, I do not.

Mr. Breithaupt: Mr. Speaker, there are a couple of comments I would like to make with respect to Bill 149.

In one way I think it's rather sad that the term "master of titles" is being removed from the traditions within Ontario. The registry office system has seemingly gobbled up the other program and this term is now going to be replaced by the term "land registrar." I rather thought the master of titles had a certain pleasingly archaic ring to it, but it's something which apparently is going to pass by in the name of progress.

There are only a couple of other items I would like to refer to. Again, other than for this brief amendment which the minister has to correct a typographical error, I would think there need be no lengthy term for this bill in committee.

In his reply perhaps the minister could refer particularly to section 20 of the bill and advise me if there have been any claims recently, or are any outstanding at the present time on this account. The account here is to be built up to the amount of $1 million if necessary and I would like to know what the size of the account is at the present time.

Most of the other sections in the bill deal with particular items, all of which are quite mechanical. But there are two that I think are worth referring to.

In section 35, matters are clearly set out that it will be "unnecessary to register consents under the Succession Duty Act in respect to death before 1970." In addition, in section 36 variance of the subsections therein also allows for automatic expiry of cautions that have been registered on titles to real property. There are two circumstances, of course, which I think are to be encouraged because they again work towards the removal of various encumbrances and additional paper work on the titles to a variety of properties. They will make the task of those buying and selling properties somewhat less burdensome and, perhaps, may even lower the costs as far as solicitors may be concerned.

The other item I would like to reflect upon for a moment is set out in section 49 where the maximum penalty for altering records is increased from $1,000 to $5,000. Can the minister advise me in his comments as to whether there have ever been any prosecutions under this section? Have there been any convictions and, if so, what sort of fines were levied?

I presume the occasional circumstance of the ruling-out of an undischarged mortgage or something like that may have occurred when, unfortunately, some fraudulent practices may have been entered into by the occasional solicitor or staff person. No doubt these matters reflected themselves eventually in various disciplinary or other actions by the law society, but if the minister could advise me of the circumstances of ever using this provision, I would appreciate hearing it.

Mr. M. N. Davison: I have difficulty with a part of this bill other than the two parts referenced by my colleague from Kitchener. It is another one of these bills, Mr. Speaker, which will tend to solve some of the problems in the process about which the minister and I were having a dialogue on the previous bill.

Just for the record, I think lawyers are overpaid on these kinds of transactions as it is now and I think they are going to be even more overpaid when the minister's speeded up, streamlined registry process goes into effect. I think it is about time we looked at the amount of money those people are making when they handle the sale of a home for an individual.

My major concern with the Land Titles Act doesn't have to do with the fact lawyers are overpaid on these transactions, but rather with the implications of section 40 and the other sections of this bill and the other legislation that affects condominiums.

At the moment I am prepared to accept and support the housekeeping portions of the Land Titles Act and its sister act, the Registry Act, with the exception of those sections that deal with the condominiums. I have a real problem with those parts of these two pieces of legislation.

Over the last decade one of the central problems we had with condominiums dealt with the registration process. When the government of Ontario could no longer ignore the demands of condominium unit owners in the province to step in and do a rewrite of the legislation, they finally appointed, as I am sure you will recall, a defeated Conservative candidate to head up the commission, which later became known as the Kealey commission. There was nothing unusual about the process. The Kealey commission produced a rather interesting report and on balance, a fairly good report. They concentrated, at that time, on the problems faced at the registration end of the condominium world.

The government finally brought in the new Condominium Act to address a number of problems pointed out by the Kealey commission work and to respond to other difficulties. At that time, for reasons which to this day I don't understand, the government virtually ignored the area of registration and the difficulties that were caused to condominium unit owners because of the registration rules.

In spite of amendments my party and I put forward at the time, the government refused to deal with that matter. We finally ended up with the Condominium Act, as we know it now, chapter 84 of the Statutes of Ontario, 1978, which doesn't deal with the problem.

Since that time, the government has had a considerable chance to pick up on its promises to eventually come to grips with the registration aspect, and they didn't do it. There were no changes forthcoming to the Condominium Act. Surely, in the past decade, the government could have done something. They didn't; they brought in the Condominium Act, which was the perfect time to deal with the registration problems. They didn't do it, and they have had considerable time since the Condominium Act was introduced and passed to do something about the registration problems. Now what happens is the government brings in changes to the Land Titles Act and to the Registry Act which simply remove some of the contentious questions of registration in the acts.

Under the companion bill the government is going to delete from the Condominium Act section 2(4) and (5) as its answer to dealing with the registration problem. That doesn't make any sense at all. I think the government has an obligation that rather than making this kind of technical adjustment at this point it should finally realize the time has come to do something about the registration problems involved with condominiums.

Instead of proposing the phoney or non-solution of Bills 149 and 150, I think it would be much better if the government was to go back to the Condominium Act and deal with those.

I am going to propose that this bill be sent to committee of the whole House so we can deal in an across-the-floor manner with this aspect, particularly with section 40 of this bill and with sections of the Registry Act, which I will delineate later on, unless the minister thinks in his windup on second reading he can somehow address the failure of the government to deal with the real problems of registration of condominiums.

Hon. Mr. Drea: Mr. Speaker, first of all I would like to draw to the attention of the House the term "master of titles" was removed in 1972 when "land registrar" was substituted. Obviously it took six years to catch up in this particular act.

The assurance fund is about $25,000 above the $1 million. Several claims are made and many paid each year.

On the other concern of the member for Kitchener, there have been no recent prosecutions. We regard the penalties really as a deterrent, rather than something after the fact. We had a near case when a woman removed part of a page from a Registry Act record, but the sheriff—one of the few apprehensions or recoveries by a sheriff lately, I suppose—went out and got the page back.

Actually I suppose that is not terribly unusual. The land registry in this province dates back to John Graves Simcoe. It has been very successful since 1795. The Americans certainly wish they had had it, so I suppose in 1979 it is not terribly unusual that the sheriff is able to function within the Registry Act system.

Mr. M. N. Davison: Did you say 1795?

Hon. Mr. Drea: Yes.

Mr. M. N. Davison: Are you suggesting that was one of the causes of the War of 1812?

Hon. Mr. Drea: No, though I would suggest, Mr. Speaker, that one of the things John Graves Simcoe has never received credit for is the land transfer system and the land registry system in this province. The Americans today dearly wish that they had our system because, state-by-state, they are in dreadful difficulties.

When, at the beginning of this province, albeit under another name, a very distinguished administrative officer could produce a system which has withstood the test of almost two centuries with the only change being from the quill to the nib pen, to the fountain pen, to the ballpoint and when today we are going to launch the most extensive computerization system in land registry on the continent and still base it upon Simcoe, I really think that as an administrative officer he was without parallel.

Mr. Speaker, the maximum fine is being increased because, as I said, we would like to keep it as a deterrent rather than as a punishment after the fact. A considerable amount of difficulty, of personal hardship and of rather permanent loss can be occasioned by someone who wants to do an act of theft or an act of vandalism in a registry office.

With respect to the registration of condominium problem, it's the requirement interpreted to mean that the building must be substantially completed before the declaration can be registered. That is viewed as essential to protect purchasers who might otherwise buy a unit in a building that may never be completed.

Mr. M. N. Davison: What does "substantially" mean?

Hon. Mr. Drea: If the honourable member is going to committee would he stop interrupting me on second reading? Has he forgotten where he is? I am attempting to answer his question.

I have no objection to going to committee, Mr. Speaker. I want a typographical error corrected. I think we could have got unanimous consent to change an "a" to "the," but if the member wants to have a dialogue—and the results will not change—far be it from me to object to committee of the whole.

Mr. Speaker: Before I put the question it is my understanding the House would be asked to give unanimous consent to change a word on second reading and it's my understanding that that might be forthcoming from the House. However, if the member insists on the bill going to committee, I'll now put the question.

Hon. Mr. Drea: Mr. Speaker, in no way was the member suggesting it go to committee for that. He wanted some other dialogue.

Mr. Speaker: I am well aware of that.

The motion is for second reading of Bill 149.

Motion agreed to.

Ordered for committee of the whole House.

REGISTRY AMENDMENT ACT

Hon. Mr. Drea moved second reading of Bill 150, An Act to amend the Registry Act.

Mr. Breithaupt: Mr. Speaker, I have had the opportunity of reviewing the contents of this bill and it deals particularly with a great variety of minor sections which clarify and reorganize various component parts of the Registry Act. I don't think there is anything particular that could be said to be a principle in this bill since it is based on a variety of these clarifications.

It is interesting to see that the requirement for mortmain affidavits to be registered is being repealed. This is something that comes out of the most ancient traditions of the British common law and it is worth while to see that again will be a saving of work and involvement as we continue to develop the registry system within Ontario.

The matters dealing later on, including the one which does away with the requirement of certain entries in red ink, is something that I am sure would be of interest to a great number of members of the House. One would have thought that with the development of deficits in Ontario, over these past 10 years the one thing we would have lots of is red ink. But in any event, wherever we are going to use it, it certainly is no longer going to be necessary as far as the entry of certain notices and cautions is concerned—and, as I recall, discharged mortgages had to be lined out in red ink over recent history.

I don't know whether this also dates back to the earliest days of the province. Perhaps it even goes back to John Graves Simcoe's involvement in the thin red line or something of that ilk. But in any event, whatever use we have for red ink, we won't be using it in our registry system any longer.

Again, the matter of increase in maximum penalty from $1,000 to $5,000 will apply in the registry system; the minister has already explained the circumstances under land title. As he has said, this has the prospect of being a deterrent and I suppose in inflationary times it becomes somewhat more meaningful than the earlier $1,000 maximum penalty.

The other provisions, as I mentioned, all deal with particular minor points none of which I think need detain us any further. The minister has a variety of amendments; so the bill will have to go to committee of the whole, wherein we will be able to talk about some of these other points if it is worthwhile to do so.

Mr. Speaker: The member for Hamilton Centre.

Applause.

Mr. M. N. Davison: I thank the member for Essex South (Mr. Mancini).

Mr. Kerrio: It wasn't for you.

Mr. M. N. Davison: It's just as well. I would worry if you applauded me.

Mr. Speaker, I trust the minister will take the suggestion of my colleague from Kitchener and explain the relation of the Registry Act to one Sir John Graves Simcoe if, indeed, its origins can be traced back to that fine fellow. I am always interested in hearing about Ontario's Tory folklore.

I also have the same concern about the Registry Act and its amendments as I have about the Land Titles Act; it deals with the way we are removing sections from the Condominium Act. It seems to me one of the best things about the Condominium Act is it provides, as it were, one-stop shopping for the individual interested in condominiums. Once again I want to say I have a lot of difficulty understanding the government's desire to start now a process to cut up and subdivide the Condominium Act and to put sections of it into other pieces of legislation, to provide powers of regulation under acts other than the Condominium Act, to make changes by regulation to things affecting condominiums.

Mr. Philip: Condo Ontario can explain it to them. That gives it something to do other than sending out propaganda.

Mr. M. N. Davison: That's right. That's a very good suggestion.

Perhaps it will be possible for the minister, when we send this bill to committee, also to engage in a little dialogue about his amendment to section 27 and the rationale behind sections 34, 41 and 47 so we can try to understand why the government wants to remove this area from the Condominium Act and put it into pieces of legislation that condominium consumers are less likely to have recourse to and therefore they will be able to understand less well the matters they involve themselves in when they decide to purchase a condominium.

While I support the bill on second reading, largely because most of the sections are housekeeping or updating sections, I do have those concerns about the sections that deal with condominiums. Aside from the necessity to go to committee to deal with the minister's

amendments, I think it should go to committee to discuss those points.

Hon. Mr. Drea: Mr. Speaker, I have a number of amendments to the bill; therefore, obviously it will go to committee. The matters that have been raised are relatively minor and the proper place to discuss them is in a dialogue. Once again, I say the result will not be altered; but I am magnanimous tonight, and I want to have the privilege of going into committee. I will not be magnanimous this time—I don't want it to become a trend—so I will reserve comment until the bill goes to committee of the whole.

Motion agreed to.

Ordered for committee of the whole House.

THIRD READINGS

The following bills were given third reading on motion:

Bill 146, An Act to amend the Municipal Franchises Act;

Bill 147, An Act to amend the Local Improvement Act;

Bill 156, An Act to amend the Securities Act, 1978;

Bill 165, An Act to amend the Corporations Tax Act, 1972;

Bill 172, An Act to amend the Municipality of Metropolitan Toronto Act.

Mr. Speaker: It being 10:30 of the clock a motion to adjourn is deemed to have been made. I will recognize the member for Scarborough West for up to five minutes.

EAST OF BAY PROJECT

Mr. R. F. Johnston: Thank you, Mr. Speaker.

In regard to a question on the east of Bay property which I raised with the Minister of Government Services (Mr. Wiseman) today, the block in question is a superblock bounded by Bay, Wellesley, Gloucester and Yonge. My request was that the government deal in good faith with the city of Toronto in the planning process. The minister did not respond when I asked him if he would agree to the request from the executive of the city of Toronto to involve himself in a reasonable planning process with them.

The minister also did not indicate what his long-term plans for this area were, although he indicated a couple of proclivities in terms of a bus station, which would be totally inappropriate and which the city already believes to be totally inappropriate. He would not indicate why he thinks this land is not appropriate to housing uses. Instead he indicated the city could do just as the province has done, and I quote, "If the mayor wants some additional housing property he can go out and assemble a piece of land in the way we did"; a totally ridiculous suggestion. The opportunity is there right now for the province of Ontario to provide serviced land at a cheap cost so affordable housing can be made available to people in the city of Toronto.

I just want to outline very briefly what has gone on with this property, Mr. Speaker. Initially, there was a grandiose and expensive plan to erect all sorts of government office space in that area. That was withdrawn, partially because the government realized it would be in trouble with the electorate if it tried that because of its overspending and partially because it decided to move, wisely, into decentralization of its services.

In March 1973 the Premier (Mr. Davis)—and I quoted this in my question—said he wanted to turn this property over to uses that would be compatible with the desires of the city of Toronto, thereby opening dialogue with the city of Toronto. Toronto then established a working and planning group which established a number of uses for this land, mixed-use planning of housing, as I mentioned in my question, as well as commercial uses, office and park land.

It seemed there was general agreement in principle by the provincial government during the years 1975 on. John Rhodes, in a letter to the commissioner of planning, said, "With respect to the provision of housing, I readily agree to the proposal for senior citizens and assisted family housing accommodation." The plan for the city seemed to have acceptance at that time.

Rhodes writing to Crombie in 1976, about consultation—something I was asking the minister to look into—said, "I would also like to request that you"—that is Mayor Crombie—"would consent to be consulted from time to time by the Minister of Government Services and myself regarding policies at all levels of government as they may effect the development of the site." A very rational suggestion, something I would commend to the minister again; I suggest that he establish those lines of communication instead of waiting for a month to meet with the mayor as he did when the mayor wrote to him in October.

Mayor Beavis wrote to the Minister of Housing (Mr. Bennett) suggesting that the city and the province jointly retain consultants for production of a more detailed site plan; an excellent idea.

On January 29, all of a sudden we understand from the new minister that other parties have approached the provincial government, but that even so it was suggested these potential users would be advised to move to the city first; again the idea there should be consultation. Yet this minister has decided not to do so. My question is why? Why won't he involve himself in the planning process? I suggest to him that if he doesn't it's a very dangerous thing because the housing proposal the city of Toronto is making is extremely serious for three reasons.

First, there's a shortage of affordable housing in Metro Toronto today with only a one per cent vacancy rate. Second, to preserve the integrity of the core area idea for the city of Toronto, affordable housing at that location is crucial. Third, there's a real need to develop more co-operative and non-profit housing in Metropolitan Toronto, in the city of Toronto in particular.

If the minister decides now, on his own, to go ahead and build more government buildings and put in a bus service which is totally inappropriate when the city is looking for a location which is much better—it would be closer to Union Station, much more integrated with the transit system in this city—all I can say is, he is crazy, he has to talk to these people. They are the most rational planners we have in terms of cities in Ontario at this point; they know what they're doing; they've shown their capacity to organize major planning ideas in the city. That the minister should somehow supersede them because of interests that he's aware of, is totally incorrect.

Mr. Speaker: The honourable member's time has expired.

Mr. R. F. Johnston: I would just like to conclude by saying that by not responding to my question the minister is treating this Legislature in the same way the government has been treating the mayor of Toronto. There's an easy way to correct that which is to say he will establish a planning process with the mayor at this time.

Hon. Mr. Wiseman: Mr. Speaker, as I mentioned this afternoon, we have had discussions with the YMCA and preliminary discussions with the bus people; no decision has been made as yet. If a decision were to be made to sell any of our property east of Bay, it would be at market value and would have to meet any restrictions that the city of Toronto would have on that property. It would not be the responsibility of my ministry to negotiate on behalf of those companies; they'd have to do that themselves.

I'd just like to say to the members here we assembled this land for the use of the province and I feel we have to look out for the long-term future needs of the province. As I said this afternoon, we have put this land assembly together and we would not get another opportunity to put together a parcel of land like that for some time in the future to meet the needs of the province.

Again, if the mayor wishes to, he could go out and put together a land assembly for himself.

The House adjourned at 10:35 p.m.

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No. 123

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Friday, November 30, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, NOVEMBER 30, 1979

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

CORRECTIONAL SERVICES DISPUTE

Hon. Mr. McCague: Mr. Speaker, on Wednesday I proposed to Mr. Sean O'Flynn, president of the Ontario Public Service Employees Union, that we use binding arbitration to resolve the category question for correctional officers and certain pay-related classes. I suggested that an independent third party, acceptable to the government and the union, decide the matter. This proposal demonstrates my interest in seeking a peaceful resolution. The union declined to proceed as proposed.

Frankly, I was disappointed in the union's response. A serious attempt has been made by the government to seek a solution. On behalf of my cabinet colleagues, I want to reiterate our willingness to seek a satisfactory solution to this problem. Accordingly, I sent a letter Thursday to Mr. O'Flynn, reconfirming our willingness to submit the question to binding arbitration, and attached a memorandum of agreement to this effect, which I signed on behalf of the government.

In my letter to Mr. O'Flynn, I strongly urged him, the union and the employees to explore with me a peaceful, legal settlement of this difference. Mr. O'Flynn was advised, "The government cannot and will not tolerate breaches of the law and will take appropriate steps to ensure compliance with it."

In the event the union fails to respond to our initiative, the government must prepare for the possibility of an illegal strike.

The government intends to institute action in the Supreme Court of Ontario for an injunction to prohibit any strike activity. We have initiated action to secure from the Ontario Public Service Labour Relations Tribunal a declaration of unlawful strike and consent to prosecute the union, various officials of the union and employees, for violations of the act.

E. B. EDDY EXPANSION

Hon. Mr. Grossman: Mr. Speaker, I would like to clarify the details of the major capital expenditure program announced by E. B. Eddy Forest Products Limited in Espanola, and the major role played by the Ontario government in securing this investment.

In Espanola, on Wednesday of this week, I officially presented the E. B. Eddy company with a cheque for $16,667,000, drawn from the Employment Development Fund allocation as an incentive towards the company's expenditure of $225 million on its facilities at Espanola and Ottawa over the next five years.

Mr. S. Smith: As an award for their excellent performance.

Hon. Mr. Grossman: Maybe the Leader of the Opposition wouldn't have helped the company. We thought Espanola was good enough to save; he did not. I'm glad the Leader of the Opposition got it on the record that he wouldn't have helped the company.

Mr. S. Smith: Absolutely right. Their record doesn't deserve it, and you know it.

Hon. Mr. Grossman: Those remarks are appropriate for what we used to call the garbage track.

Mr. Ruston: You're the only garbage around here.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: They'll love you guys at Espanola.

Mr. Deputy Speaker: Order.

Hon. Mr. Grossman: Some press reports to the contrary, this incentive from the government of Ontario represents two thirds of the total incentive available to the company under the joint Ontario-Canada pulp and paper facilities improvement program. The federal Department of Regional Economic Expansion will contribute the other third, or $8,333,000 in incentives over the next three years.

As many members of this House are aware, the livelihood of the community of Espanola has been in jeopardy on more than one occasion owing to the questionable viability of its ageing pulp and paper mill. The ability of E. B. Eddy management and the local labour force to maintain this operation, even in the face of the most adverse of market circumstances must be commended.

With the company's announcement and specific expenditure of some $210 million on the Espanola facility, the mill's long-term commercial viability is assured and the community will have a stable economic base for the foreseeable future. In addition to expenditures at Espanola, the company will be spending some $15 million at its Ottawa facility, primarily to upgrade production equipment.

E. B. Eddy's program accomplishes many of the goals sought by the pulp and paper facilities improvement program. For example, the pollution abatement standards set by my colleague the Minister of the Environment (Mr. Parrott) will be met at both facilities. Productivity will be significantly improved. Energy self-generation will be increased and conservation furthered. Also, the company has undertaken to source more than 85 per cent of its expenditures on Canadian goods and services. With today's dollars this translates to $195 million, the greater part of which will be spent right here in Ontario.

ORAL QUESTIONS

INTEREST RATES

Mr. S. Smith: Mr. Speaker, I would like to ask the Treasurer of Ontario why it was that on Tuesday of this week, after repeated questioning from me regarding his position on the interest rates, which had been increased by the federal government, after similar questions were asked during the week or two before that, and after telling us that his opinion was somehow a secret, he could walk right out of this House and tell the reporters for the Toronto Sun and other reporters from the press gallery?

What kind of contempt is this he has for the question period, where after we have asked repeated questions on a matter of such importance, he can walk right out the door after telling us he has no position to express, and state that we could have an interest rate two points lower or so, because it wouldn't hurt the Canadian dollar the way Mr. Crosbie seems to think it would?

Hon. F. S. Miller: Mr. Speaker, I've always made a point of never saying I was improperly quoted in the press, because it's very difficult ever to substantiate whether one is or isn't. I was asked a whole series of questions. If the reporter drew the conclusions from those questions that he showed in the column—which distressed me just a bit, because he talked in general terms about what I thought would happen to interest rates, what I personally felt were some of the trends and so on—I'm quite sure I've said some of the those things earlier in the House.

If one goes back through Hansard and looks at some of the things I have said earlier on this matter, one will see—

Mr. S. Smith: Don't play games with me. I've gone back through the record.

Hon. F. S. Miller: All right. Then the member will see I have expressed concerns about the interest rate. I have said I did not expect any dramatic downturn, that I did leave the basic policy with the federal government, that I had found six out of nine of my own people who had favoured the federal scene whereas three gave me good reasons to say they had some concern about the present policy, and, therefore, I wasn't taking a firm Ontario position.

I have also said to this House—and I think it is on the record; I certainly said this to the press months ago—that I have great difficulty in rationalizing some of the arguments in favour of importing foreign capital to maintain a high Canadian dollar by maintaining a high interest rate, which in the long run can only mean we have debt payments to make in future days. Those things worry me. A lot of economists argue they are an absolutely necessary price to pay to prevent a sudden bout of inflation. Those are exactly the thoughts I expressed outside, without saying this was Ontario's position.

Mr. S. Smith: Will the Treasurer stop weaseling around and say definitely whether he wishes to deny the statement attributed to him in the Sun, a statement saying: "Interest rates could drop as much as two points without harming the stability of the Canadian dollar, Ontario Treasurer Frank Miller told the Sun yesterday. Miller said he disagrees with the Bank of Canada czar Gerald Bouey's reasoning that interest rates here must closely follow those in the US in order to attract loans and maintain the dollar's relative value"?

Since that is precisely what I was saying in this House when the Premier (Mr. Davis) disagreed with me—and that may be on the record—and since he has failed to stand up to make Ontario's position clear in this regard, even though there is plenty of effort to make Ontario's position clear with regard to oil prices, will the Treasurer categorically deny this statement or, if he agrees with this statement, will he make perfectly certain that the public knows what our position is and that John Crosbie knows what our position is, and will he explain why he couldn't have put that very position, and those very

statements, in front of the parliamentary committee looking into this matter?

Hon. F. S. Miller: Unlike the member opposite, I've never tried to lie my way out of things I've said to the press, as he did at Sault Ste. Marie.

Mr. S. Smith: On a point of privilege, Mr. Speaker: The Treasurer, in his attempt now in a most despicable fashion to get out of the fact that he has shown contempt for the House, has attempted to set up and claim that I have lied on some particular matter. I ask him to withdraw that, and to answer the question I asked on behalf of the people of Ontario.

Hon. F. S. Miller: Mr. Speaker, I understand the rules of the House, that I may not use the word lie. I would leave the Sault Ste. Marie issue where it was with the press.

I have never ever, in my dealings with the press, tried to be evasive. I think the press will tell the members that. Generally, in this House, I try to be as direct as I can be. I think the members will agree with that. There are some issues upon which this province feels it does not have authority to be offering contrary advice in the national interest. I can offer private advice, and the member would do the same if he were in my shoes.

Mr. Cassidy: Supplementary, Mr. Speaker: Doesn't the Treasurer realize the people of Ontario have no interest at all in the results of the academic seminar he's been running in the finance department, where six say this, three say that and somebody else offers a compromise position? Doesn't the Treasurer understand that what the people of this province want to hear is that the Treasurer of Ontario understands the needs of this province in terms of interest rate as part of the overall economic policy for Ontario? Will the Treasurer not undertake it now, so we can have clear statements about such important issues, rather than shilly-shallying and leaving that vital element up to somebody else?

Hon. F. S. Miller: Mr. Speaker, what I did say, and I think it was quite accurately reported, was that I was quite interested in the last few weeks to note that the Canadian interest rates hadn't been always going up as some of the American rates were. I made the observation that that intrigued me, because in that same period of time the Canadian dollar had not weakened and, in fact, had strengthened. I think that is historical. I was commenting upon this, because the whole argument of high interest rates has hung on one basic fact: If we dropped our interest rates slightly, equal to the American rate or below it, there would be an outflow of Canadian dollars, a drop in the value of the Canadian dollar, a loss in its purchasing power, and therefore more inflation.

I commented that historically over this period of time, whilst the argument was going on, I had been intrigued to notice that we had seen a strengthening of the Canadian dollar, and that certain agencies in certain areas observing this, such as banks, financial houses and foreign governments, were starting to say that one of the reasons for that strength in the Canadian dollar, flying in the face of a current wisdom, was that it was being considered as an energy currency. That means foreign observers and speculators are starting to say there are certain strengths within the Canadian economy which perhaps have not been acknowledged by traditional economists. I, for one, as an interested observer, made that comment. That is quite accurately reported.

Mr. S. Smith: Supplementary: The Treasurer is clearly now agreeing that what we said would happen was accurate. The difference in the inflation rate between Canada and the United States meant we didn't have to follow them in lockstep, even though his Premier disagreed with me. Why, in heaven's name, didn't the Treasurer make that statement to the Minister of Finance in this country and protect the small businessmen, the farmers, the home owners and the consumers of Ontario from a totally unnecessary federal policy? Why didn't Ontario go on the record on this matter? Why couldn't the Treasurer at least have stated that opinion in this House rather than to the press outside this House?

[10:15]

Mr. Mancini: He's trying to protect his Tory friends.

Hon. F. S. Miller: I am not protecting any Tory friends. It is interesting how quickly the positions of the governments have assumed the same role, because the fact is—

Mr. T. P. Reid: You want to blame Trudeau.

Hon. F. S. Miller: I never blamed him, never. Luckily, there won't be Liberals in Ottawa and, luckily, there won't be Liberals in Ontario as long as the honourable member is the leader.

Mr. Deputy Speaker: Order.

Mr. Laughren: Mr. Speaker, since the federal Minister of Finance, Mr. Crosbie, has indicated that he is not going to offer any protection to Canadian consumers in his

budget, which will be coming down shortly, will the Treasurer make a commitment to implement some policies to ease the burden of interest rates on home owners, the agricultural community and the small business community in Ontario?

Hon. F. S. Miller: Mr. Speaker, obviously I am going to be awaiting, as I am sure the member for Nickel Belt will be, the federal budget with very real concern.

The very essence of the Ontario energy policy, as he will recall, was aimed at softening the effect upon the consumer in whatever interim period is required to allow the increased cash flows that are generated by increased oil prices to be properly reinvested in security of supply. We argue, and have argued—I hope with the member's concurrence, and I hope with the Liberals' concurrence—that the first purpose of extra cash flow for roughly the next two years should be the protection of the consumer. That is still Ontario's position, and on that one issue I think all three parties are united.

We are going to have to wait to watch that budget to see whether any of the actions that are being rumoured take place. One of the great risks we have in a country like ours is that one government can have economic or fiscal policy aimed at tackling inflation, only to see it totally counteracted by a series of independent provincial moves.

Even with the Liberal government in Ottawa, I think my friend will recognize that for the last few years this province and a number of other provinces have tried to synchronize policies, because synchronized policy has a much greater chance of accomplishing the objective of, say, cutting down inflation, than everyone flying off in their own direction, saying, "To heck with you." We still have to maintain the lowest possible inflation rate, and we have to protect the consumer. If the consumer isn't protected, he quite properly is going to demand more salary, which in a period where energy is the basic spark, cannot be recovered within the system without causing inflation. I think the honourable member would agree with that.

EAST OF BAY PROJECT

Mr. S. Smith: Mr. Speaker, a question for the Minister of Government Services: On the matter of the properties known as the east of Bay properties, would the Minister of Government Services not agree with me that a bus terminal in a large metropolitan area like Toronto would be most intelligently located close to the train terminal so we could have a transportation centre for those who might want to transfer from one to the other or make various kinds of travelling arrangements? Surely the minister would agree with me that the middle of the most congested area in town is no place to be building a bus terminal and to have buses coming in and out in the middle of rush hour and so on. Why, therefore, is he prepared to consider a bus terminal as a major use for those very important properties when those properties more properly should be used for a combination of office space and particularly for low-cost housing? That would be a sensible way for the utilization of the available space. Isn't it a dumb place for a bus terminal?

Hon. Mr. Wiseman: Mr. Speaker, we have had preliminary discussions with the bus company. As I said last night in the late show, as well as yesterday afternoon, if they are interested in the land and in giving us office space above that particular bus terminal—if it goes there—we will negotiate for that. But anything to do with building, if the city will allow it to go there, will have to be discussed with the city and a suitable arrangement worked out.

I don't think it is up to me as Minister of Government Services to say this is the place it should go. They are businessmen. If they want to go there, they have to work out those arrangements with the city. That is, if we are prepared to sell it to them—and at this point we haven't made that decision.

Mr. S. Smith: Since the province owns the land, why would the province contemplate selling it for the purpose of setting up a bus terminal if it is a dumb place to set up a bus terminal? Why would Ontario not use the land for intelligent uses that would be in keeping with the proper planning of the city of Toronto? Why would it not use it to meet the obvious need for low-cost housing as well as for mixed uses, which are appropriate for a downtown location of that kind, including some office space and possibly a YMCA if that happens to be thought an appropriate matter as well?

If a bus terminal should not be put there, why in heaven's name is the government going ahead with plans that will end up with a bus terminal there?

Hon. Mr. Wiseman: I don't think the honourable member heard me. We are not going ahead with the plans. We have just had preliminary discussions with these people. Preliminary discussions do not mean we plan to go ahead with it.

As I said before, the city would have its input and they would have to clear all the

hurdles with the city. Any sale of the land, if we ever decided to sell it to them, would have a rider on it that they had to do this, and it wouldn't be the responsibility of my ministry.

Mr. R. F. Johnston: Supplementary, Mr. Speaker: I find it hard to understand why the minister continues to raise the red herrings of the bus terminal and the YMCA. The minister raised it; not myself. The minister's reason for not answering why he will not enter into planning discussions with the city of Toronto leads me to presume the government has already decided what it wants to do with that land: It wants to go back to the pre-1973 plan to build a major government complex in that area. If it is the case, why are the two towers that are already in the city's plan for Wellesley Street not sufficient for government expansion on that site?

Hon. Mr. Wiseman: As I mentioned last night and yesterday afternoon, Mr. Speaker, we have put together this parcel of land for government use. The government has its priorities at this time as to what buildings it should put up. As Minister of Government Services, I feel we have to look at the long-term needs of that property for the province; that is why housing at this time doesn't fit into our plans.

Mr. S. Smith: Can the minister explain why his predecessor said to this House on November 16, 1978, "When this work has been completed I will be responding to the mayor of Toronto"—completion of the work was only a matter of a few weeks away at that time; that was a year ago—and yet the mayor never heard from him nor from his successor in this role?

Why has the minister shown such disdain for dealing with municipal officials if he hasn't even contacted him since then? He finally had to get hold of the minister on the matter. Why does the minister feel, in these days of so-called shrinking government, that he is going to need more and more office space to have to use that entire site for the growth of the government when there is such a crying need for low-cost housing in that part of Toronto?

Hon. Mr. Wiseman: At the present time we own about two million square feet of office space in the downtown core. We rent approximately the same. At this time we can talk about the need for senior citizen apartments, and there is a need for that as well.

We are in almost a nil position as far as office space in the downtown core is concerned. I think we will be needing this space for ourselves in the near future, whether we do it in conjunction with something else that goes on to that site, like a bus terminal or something else, to give us the space we feel we need. We will have to look at that, but we need it for our own use at this time.

Mr. Cassidy: Supplementary, Mr. Speaker: Would the minister undertake to open up the planning process for the block east of Bay Street so the public, the city and each of the people in the whole area can be involved in the process, rather than continuing the Byzantine secretiveness which has marked this project up until now and which is comparable to the way the ministry is planning the Cartier Square block in Ottawa?

Hon. Mr. Wiseman: As I mentioned before, Mr. Speaker, we have this block of land, and we'd never again assemble, a piece of land like this for the province's needs for some time in the future. I am convinced, if the mayor were to look around, he could find property for his housing somewhere else.

The honourable member compared it to Cartier Square in Ottawa. I would just let him know that the mayor, in an article on August 8, said she was in agreement with the site, and she hoped the construction would start immediately. The honourable member says we didn't let them know; they knew, and the Ottawa commission knew as well.

GAS AND OIL SUPPLIES

Mr. Cassidy: Mr. Speaker, I have a question of the Minister of Energy. With respect to the plight of the independent oil contractors who provide heating oil for 40 per cent of the homes in Ontario, can the minister say what action the government intends to take to protect these independent oil dealers, who now are finding their margins are being squeezed by the multinational oil companies and in certain cases having their supplies cut off completely? Does the government intend to intervene in any way to prevent these independents from being squeezed out of the market entirely over the course of this coming winter?

Hon. Mr. Welch: Mr. Speaker, I have no concrete evidence that would support the allegation of the honourable member that the independents are being squeezed out of the marketplace. The honourable member will know, if he has had a chance in the last little while to review the Isbister report, in so far as this whole area is concerned, that particular part of the report recognized the importance of the independents to the province and to the whole marketing of those particular products.

I am in the process of meeting with presidents of the various oil companies. Indeed, during those discussions not yet completed, I am raising this very question of the position of independents in so far as their own relationships are concerned. I have been assured by those with whom I have met until now that they certainly plan to honour all contracts which they currently have with such individuals.

Mr. Cassidy: Was the minister not aware that the big multinational companies, not content with the extra amounts of money they are going to earn because of the increase in heating oil prices from 70 cents to about $1.30 a gallon over the next three years, have already begun to pressure the independent suppliers in the eastern Ontario area and squeeze their margins for this winter by four cents to five cents a gallon so that some of them expect to make no profit at all?

Is he also aware that some of these independents are not having their contracts renewed, although existing contracts are being honoured? Will he investigate the case of one particular independent, whose 300,000-gallon-a-month supply is being cut to zero at the beginning of 1980 by one of the multinationals? Will he take that information in confidence?

Hon. Mr. Welch: If I could speak to the third part of the question, there is no question I certainly would be very pleased to do so if I had that information. In fact, it would be helpful if I had some specific information such as that to follow up.

I can only repeat that, in my discussions with presidents and chief executive officers of oil companies with whom I have met up until now, I have been assured they are honouring their contracts. The difficulty may be with respect to the definition of the arrangements some of these independents have had with their suppliers.

To speak to another point raised by the honourable member, I have made it quite clear we agree with that recommendation in the Isbister report, which sees and attaches some importance to the involvement of the independents in the marketplace of this province.

[10:30]

Mr. J. Reed: Supplementary, Mr. Speaker: Would the minister be prepared, on completion of his consultation with the oil companies, to make a public statement about the government's position on this matter, which may be of great concern to those independents?

Hon. Mr. Welch: I would be prepared to report more fully on that after I have completed those meetings, Mr. Speaker.

Mr. Cassidy: Since the minister says he's talking to the large multinational oil companies and on the assurances he has had from those companies, will he say what contact he's had with the independents, some of whom fear to raise the issue publicly in case of having further restrictions put on their supplies?

Would the minister not agree that when those independents have month-to-month or year-to-year contracts, it's very easy for the multinationals to cut them off unless there is protection and intervention from the government to keep those independents in business?

Hon. Mr. Welch: I would be very pleased to meet with anyone who wishes to meet with me. I am just a little concerned about the qualification with which the honourable member wraps this question up; in other words, that there might be some fear they would want to meet with me. I would hope that's not the case. In fact, I would be very pleased to include representatives from the independent sector as part of those meetings.

I do repeat, for the benefit of the House, the question with respect to the relationship between companies and the independents has been raised at all of these meetings. I have had that assurance and on the basis of the questions that have now been directed to me by the honourable member, I will perhaps have some specific examples to follow up on.

I might say I am not aware, on the basis of any mail I have read within the last while, that anyone has had any hesitation in wanting to speak to me about this particular matter.

AIRCRAFT CONTRACT

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Industry and Tourism. Can the minister say how it is that he could tell this House a couple of days ago that the job opportunities for Ontario, offered in connection with the new federal contract, are "serious offsets, firm offsets and firm commitments," when there are so many unanswered questions surrounding this particular contract to the point that nobody else in government, in the Department of National Defence, or in the industry, is in a position to make the same kind of assurances?

Hon. Mr. Grossman: I must say, Mr. Speaker, I was providing that information on

the basis of all our conversations with the federal government. I must tell the honourable member that, in view of the developments of the last few days, we will be back on the phone today to try to clarify the information they have been providing. Of course, I can only report to this House with regard to the information with which we have been supplied by the federal government from time to time.

Mr. Cassidy: When the minister spoke in the House a couple of days ago and was so sure about the commitments which he is not so sure about right now, was he aware that at the beginning of November the United States government was telling McDonnell Douglas it should not give credit in terms of job spinoffs in Canada for contracts related to the cruise missile? Was he also aware that in early November Northrop was launching legal action against McDonnell Douglas because it was offering Northrop subcontracts in Canada without authorization? Has the minister reviewed or looked at the confidential report on offsets, or has he reviewed information from the Air Industries Association of Canada, which also long ago was casting the same doubt on what he thought two days ago were firm commitments?

Hon. Mr. Grossman: We were aware of the Northrop potential lawsuit. My industry specialists—and I do have some of the very best people who worked in the industry and who now work in my ministry—were monitoring the situation, and I believe they had fairly full and complete access to all the federal information from time to time.

Mr. Laughren: Supplementary, Mr. Speaker: I wonder if the minister could tell us, since he made those very firm statements on Tuesday, if, when he made those statements, or even now, he had read the confidential document which everyone seems to have read at this point. Has he read the letter from the aerospace industry which expressed the very grave concerns referred to by my leader? Would he tell us if, when he was talking with the federal government, there was any discussion of not only the number of jobs that would be gained in Ontario, but also the kinds of jobs and the kind of technological knowhow, that would be gained by Ontario in this aerospace industry if and when the new fighter aircraft contract was awarded?

Hon. Mr. Grossman: Mr. Speaker, I myself have not read the confidential document the member is referring to. I believe that among the various documents and materials I have read on the subject the letter he referred to from the air industry has crossed my desk, and I have seen that. There have been a great number of documents flowing across my desk on the subject, and I have read a great number of them. I can't be sure specifically with regard to a lot of documents.

I don't believe I have read in depth the confidential document he is referring to, although I believe my staff has. I would have to check that, in fairness, to make sure that is an accurate answer.

The last question is fairly straightforward. As I indicated the other day, my people have been working closely with the federal government—on the basis of the information they have been provided and on the basis of the information we have obtained—to ensure that we do get an adequate share of the offsets for Ontario industry. The offsets, as they appeared right up until this moment, seemed to be such that we would get a very good share of the offset business and that we were going to do well.

I acknowledge that it appears from what I read in the press the last few days that some of those things may now be questioned. But I must emphasize to the member that we went through this, we have monitored it, we have asked difficult questions. I believe we have received fairly direct answers, and we are proceeding on the good faith of the federal government providing us with that information.

I also want to clarify that I have no reason, other than press reports and some things that have been raised here, to begin to question that. In other words, I am responding to what I see and read outside of the correspondence between my ministry and the federal government. Nothing has occurred in our relationship with them that would lead me to believe that is coming apart.

Mr. Cassidy: Since the firm commitments the minister thought Ontario had from the federal government are clearly—and he acknowledges it—no longer as firm as all that, what actions will the minister take now? In particular, what consultation and action will the ministry have with the air industries people themselves? They have been sceptical about the industrial spinoff in terms of jobs and technology for Ontario all along.

Hon. Mr. Grossman: In our dealings with the industry in Ontario—and I have some of the very best people in that branch of my ministry—we did not get the impression from them that they were dissatisfied with the offset provisions. If that has changed, I am confident my staff would have been informed by the industry about that by now.

The second point I would like to make is that I am not indicating I have any information that would lead me to believe that the commitments given to me, and which I reported faithfully to this House a couple of days ago, have fallen apart. But rather than blindly and blithely sitting back in the face of some questions being raised legitimately through the media and by the opposition here, I can assure the leader of the third party that I am not going to ignore them. I have already asked my staff to begin to get back on the phone and have some direct and hard discussions to try to clarify the situation for me.

ST. ANDREW'S DAY

Hon. Mr. Grossman: Mr. Speaker, just before I resume my seat, I might acknowledge that today is St. Andrew's Day. As the representative for a riding designated St. Andrew-St. Patrick, I wanted to acknowledge it. I also want to thank one of my colleagues, unidentified in the front row, who has dressed in accordance with St. Andrew's Day. Members may be able to spot the colleague I am referring to. I asked him to do it for me.

[Later (10:43):]

Mr. Peterson: The Treasurer looks silly when he wears that jacket. He should go out and change it.

Hon. F. S. Miller: I'm wearing the jacket, my honourable friend, because it's St. Andrew's Day. Somewhere in the process someone stole it from my office this morning—

Mr. T. P. Reid: Probably his wife.

Hon. F. S. Miller: —therefore, I had to put on my other one.

Mr. Deputy Speaker: That's a very good answer to the question.

Hon. F. S. Miller: As a Scot, I wear it on St. Andrew's Day. We who are Scots are proud of this day, and we should show our interest in our ethnic and cultural background.

[Reverting (10:39):]

MINING COMMUNITIES

Mr. T. P. Reid: Mr. Speaker, in the absence of the Premier (Mr. Davis), the Minister of Natural Resources (Mr. Auld) and the Minister of Northern Affairs (Mr. Bernier), I would like to address a question to the Treasurer in regard to one-industry communities, and Atikokan in particular.

Is the Treasurer aware of whether the Minister of Natural Resources has had meetings with either Caland, Inland Steel or Steep Rock Iron Mines with a view to ensuring that the mine at Steep Rock Lake is completely mined out?

Second, has the so-called cabinet committee on mining communities met on this particular issue?

Third, what does the Treasurer intend to do in view of the lost revenue, not only to the provincial coffers, but also to the taxpayers of Atikokan?

Hon. F. S. Miller: First, Mr. Speaker, I haven't had any knowledge of the discussions between the Minister of Natural Resources and the companies. Perhaps the provincial secretary of that policy field may have—he's nodding his head, saying he has no knowledge.

Second, I can assure the member that when, as Minister of Natural Resources, I was chairman of that committee, there were discussions about those specific communities. Obviously, at that time their mines had announced the phasing out. I think the member will recall, I visited Atikokan once or twice, met with the union on one occasion and the town council on another occasion. At that point we provided some moneys for their industrial park, commission study, et cetera, to try to help them diversify a bit.

I'm aware of those things from my own experience. As to more recent ones, in terms of whether the committee has discussed it recently, I could not answer personally, since I have not seen a minute on it.

Mr. T. P. Reid: In 36 years, one of the government's failures over there is its dealings with northern Ontario and protecting those communities up there. What is the Treasurer going to do to ensure the tax base of that town so that the people who can and want to remain there, to work and live there, are not going to be burdened with a tax rate that is so crushing it will force them out because they won't be able to pay for the services that are going to be provided? What policy does the Treasurer have to help these one-industry communities where the industry is being lost?

Hon. F. S. Miller: I'm sure the honourable member, when he was sitting with us the other day listening to the discussions of the Northwestern Ontario Chamber of Commerce, recognized that while there were many problems in the north, that group—which represents the business interests of the area—came as close to being congratulatory and generally supportive as any group we see.

Mr. T. P. Reid: They're more supportive of northern Ontario than is the Progressive Conservative Party.

Hon. F. S. Miller: The problems are extremely complex and difficult to resolve. I'm sure the honourable member knows that. The fact that one finds, through the grace of God, a good mineral deposit in a community like Atikokan, and therefore a community is caused to be formed basically because of that deposit, at the same time almost assures its eventual demise as a mine.

If the member will recall the history, that's one of those few cases—unlike the ones in the riding of Sudbury East anyway—where there has been a discontinuation of mining operations for economic reasons. One can safely say that 35 years was the predicted span of the operations in Atikokan, if I recall the figures; the day the community started, that was understood.

I'm sure we have now totally and properly changed our attitudes towards the north. Once communities are formed with the kind of heart and spirit that Atikokan has—and it has more spirit than many places I have visited; I am sure the member would recognize that—one must find ways to support them.

For example, we looked at the Bending Lake proposals. Does the member recall that? This province, at that time, was willing to support the Bending Lake proposal, with a slurry pipeline costing a fair amount of money, should that be an economically feasible alternative; that is, instead of moving a new community to Bending Lake, one brought the ore to Atikokan. Currently the economics of iron ore are such that it is not feasible; but it is still a possibility. I believe at the same time the Ministry of Transportation and Communications even started building the road that would generally serve that area.

So, should the economics change, we could see that happen. I guess the Minister of Industry and Tourism (Mr. Grossman) would be in a better position to talk about this, but we have been carrying on discussions with a number of companies that might come there. For example, we have looked at Pluswood—which I guess is the remaining major industry in the community, apart from the Ministry of Natural Resources itself—and the operations of some of the Domtar facilities in the Sapawe area. We are trying to make sure those remain viable. It is extremely difficult to find an alternative to the basic reason for the creation of some of the northern communities.

Mr. Foulds: Supplementary, Mr. Speaker: Since it is not through the grace of God that Ontario now imports 58 per cent of its iron ore from outside the province, can the Treasurer tell us what steps he is taking to ensure that the three big steel producers in Ontario adapt their processes to use the kind of iron ore we have in northwestern Ontario? Can he tell us if he has access to the study those three producers did about the iron ore deposits in northwestern Ontario? Why hasn't the Treasurer insisted they develop the deposits at Bending Lake and Lake St. Joseph while Atikokan was running down?

Hon. F. S. Miller: The fact remains that Canada is a net exporter of iron ore; I think the member would agree with that. The member knows that a fairly comprehensive study of potential iron ore sites in northwestern Ontario was carried out. I believe it showed the Lake St. Joseph area was potentially the richest area—also some of the ones in the Nipigon area, if I recall correctly. It showed certain economic priorities in terms of which would be the most likely to succeed.

Those deposits, as I recall, are relatively small in most cases—relatively low-grade and fairly costly to transport. So it is not as simple as one might want to make it look.

The member knows that various mills have capabilities to handle various types of ore and are predicated upon them. In fact, we underwrote experiments on the very ore in this gentleman's riding to see if it couldn't be used elsewhere. It fell apart.

POLICE ACTIVITY IN LABOUR DISPUTES

Mr. Foulds: Mr. Speaker, I have a question for the Attorney General. How can he, as Solicitor General, have the gall to make the statement he did yesterday that police have not been used as strikebreakers? How can he say the police do not treat alleged offences on picket lines differently from those in other circumstances, when sworn testimony by Constable Woodland of the Fort Frances police at a show-cause hearing for Norman Lyle Meyers on January 19, 1979, indicated the crown attorney specifically instructed the police attending the Boise Cascade picket line to treat the strikers differently from other alleged offenders?

Hon. Mr. McMurtry: If it's a matter that was drawn to my attention some time ago, I can't be certain it's the same reference. I looked into the matter and satisfied myself that the police officer had received no such instructions. I think the police officer later confirmed that. I think there was some confusion over what was said in the transcript.

I'm sorry I've forgotten some of the names, but I believe it's a matter we've already

looked into. I stand by what I said yesterday, as being absolutely factual.

Mr. Foulds: Supplementary: Is the Solicitor General saying to me that Constable Woodland contradicted to him his sworn testimony given before the show-cause hearing on January 19? May I remind the Attorney General/Solicitor General of the following exchange?

Mr. Wolder, who was the lawyer acting on behalf of Mr. Meyers: "We have a man here of favourable reputation. It's a property offence. Why wasn't he released on his own recognizance in the first place?"

Answer: "Because it's our instructions from the crown attorney, Mr. Saranchuk."

Question: "And you have those instructions for all charges arising out of strike-related incidents?"

Answer: "Yes."

Question: "So you are saying police constables now are instructed not to use their discretion?"

Answer: "That's right."

Question: "So the usual practice, constable, on charges other than strike charges, is the accused is released on his own recognizance?"

Answer: "Prior to the problems we have, strike-related problems, yes."

Is the Solicitor General saying the constable contradicted that testimony he gave under oath?

Hon. Mr. McMurtry: Mr. Speaker, I want to check the matter, the transcripts I had, to confirm we're talking about the same matter. I'll do that and I'll report back the results of our investigation.

I believe it's the same matter, but I would like to confirm that. I will be happy to deal with that in the House, or I'll be happy to deal with it in the Solicitor General's estimates that are currently in progress.

HIGHWAY CONSTRUCTION

Hon. Mr. Snow: Mr. Speaker, just briefly, a few days ago the member for St. Catharines (Mr. Bradley) asked me questions regarding certain actions on construction projects during the Mississauga evacuation. I would like to say the answer I gave the other day was absolutely correct. I would like to expand on it.

The contract on highways 5 and 403 was closed down during the evacuation. There was no construction work going on at that location, although the paved detour was in effect prior to the closedown.

On the highway 5 contract, west of highway 25, there was certainly no holdup in traffic there. This job was practically completed prior to the closedown and only minor trimming on the road sides and what not were in progress.

On the Trafalgar Road-Queen Elizabeth Way contract, there was absolutely no holdup of traffic there. The contractor was working on some off-road work, but materials were not available for the contract because of the evacuation.

On the Queen Elizabeth Way-Cawthra Road interchange contract, this job was closed down from November 11 to November 13 because of the evacuation. The contractor worked from November 14 to November 16, but this did not affect traffic as the Queen Elizabeth Way itself was closed down from Trafalgar Road to highway 27.

On the highway 401 contract, from Mississauga Road west to Trafalgar Road, the contractor did do some work during the Mississauga evacuation. The contractor's operations were restricted to working ramps free of traffic. Consequently, the contractor's paving operation was shut down as the delivery of asphalt would have impeded traffic on highway 401.

One thing I will say is that at the request of the police, the new north to eastbound ramp at Trafalgar Road, which is not paved, was open to traffic on the granular base and was maintained in an excellent condition by the contractor during the problem. There was no delay of traffic and no cutting down of the number of lanes available on that section of highway.

Mr. Bradley: Supplementary: In relation to highway 401, there was an additional lane that might have been used at the time, when all the traffic was being channelled north of Mississauga and highway 401. One of my questions to the minister is would it not have been possible to utilize one of the lanes that had not been paved at that time? I'm talking of the one immediately after Trafalgar Road.

The other thrust of the question, the initial part of the question which the minister has not answered, revolves around how the Burlington Skyway could be tied up, once again, in the middle of the Mississauga crisis when the traffic was held up all around Mississauga —and, we recognize, justifiably so. How could his crew still tie up the Burlington Skyway with routine maintenance?

Hon. Mr. Snow: Mr. Speaker, it is my understanding absolutely no routine maintenance that did not have to be done was being done on any of those highways during the period of the crisis. When the member says the Burlington Skyway was blocked off, I don't think that is correct.

Mr. Bradley: I drive over the Burlington Skyway and it was.

Mr. Deputy Speaker: Order. I think the honourable minister, when he started, said he was verifying the answer to a question. I'm going to add two minutes to the question period.

TOURIST INFORMATION

Mr. Kerrio: I have a question of the Minister of Industry and Tourism, if I may. Would the minister consider the request of the Niagara Falls Chamber of Commerce for accommodation in the new information centre at Niagara Falls for the various tourist agencies to give Niagara information to 16 million visitors who come to that part of the peninsula?

Hon. Mr. Grossman: Yes.

Mr. Kerrio: Thank you very much, Mr. Minister. I wanted to raise a supplementary and I certainly should stop while I'm ahead but I would like to pose this particular question to the minister.

In putting up his information centres across Ontario, is the minister giving consideration to local interest groups, such as chambers of commerce and information centres, for accommodation in the various places? The problem is that if the information centre is removed from the centre of town, or the centre of interest, the people might be directed out of a given area. I wonder if that kind of consideration is given most information centres?

Hon. Mr. Grossman: Yes. Let me clarify that most of our 37 information centres are being rebuilt on exactly the same sites as the previous ones.

Secondly, in the case of Niagara Falls, we have to find a new site. That has been done and essentially agreed to by the municipality.

Thirdly, in each case we're going to have self-service kiosks. In the kiosks there will be space for rent, as it were, on the boards listing all sorts of things. The local chamber of commerce can make an arrangement with us, of course, for themselves, for other industries and for other tourist attractions to try and focus people back into or towards those particular attractions, those in the local area they think are worth promoting through our self-service kiosk.

If I might just clarify something: In each case where we're building a tourist information centre, there will be adjacent to the tourist information centre a self-service kiosk as well.

Mr. di Santo: In the same vein, has the minister given any consideration to building the convention centre on the Downsview site?

Mr. Deputy Speaker: I think that's out of order.

REFUGEE ASSISTANCE

Mr. Swart: My question is to the Minister of Intergovernmental Affairs. Does he recall that two weeks ago I urged him to give fast and favourable consideration to the $1 million request from the Red Cross for aid to Cambodia?

[11:00]

Subsequently, I wrote a letter to the Premier (Mr. Davis) urging speed on that decision. In view of the fact the minister has as yet made no commitment to the Red Cross as to what aid he is willing to give, even though the plight of the Cambodians is screaming at us through all the news media, can't he now come to a decision on this urgent issue and tell the House today what he is going to do?

Hon. Mr. Wells: Mr. Speaker, we are still reviewing it. I think it needs to be said, first of all, that the people of Ontario are contributing about $7 million to the plight of the people in Cambodia. How are they doing that? They are doing it through the $15 million the government of Canada has pledged to Cambodian relief, which is raised, by taxes, all across Canada. I think first and foremost in these international matters, that is from where people would expect the support should come.

The Red Cross has asked us, in round terms, for $1 million. We are looking at assisting certain medical teams and that discussion is still going on. I don't have an answer yet, but I just think it should be emphasized that the people of Ontario are contributing $7 million in round figures to the relief in Cambodia.

Mr. Swart: By way of supplementary: May I ask the minister, does he not realize that although the International Red Cross has asked for something like $251 million they have as yet received only about $10 million of that and they only have enough money on hand to carry on the aid for another 10 days or two weeks? They have not yet got the necessary medical supplies or personnel to even touch the problem in the refugee camps, let alone Cambodia itself.

Doesn't the minister feel there is some real urgency for this and he should take some initiative in his government to do something in this matter?

Hon. Mr. Wells: I think I have indicated we are reviewing this with some urgency. If the honourable member would talk to the Red Cross, they wouldn't put the matter quite the way he is putting it and the record of this government is it has never shirked its responsibilities, even though, first and foremost, we felt basically a lot of these are federal responsibilities in this country. The federal government, on behalf of all Canadians, acts in international matters. In other areas we have certainly helped, as we did just recently with the help in the refugee camps, where the boat people are located. We presented a cheque to Red Cross for $315,000 just a couple of weeks ago.

The matter is under consideration; we are looking at supporting medical teams and we will have an answer shortly.

TEACHER-BOARD NEGOTIATIONS

Mr. Nixon: Mr. Speaker, I would like to direct a question to the policy secretary in the social field, often referred to as the super-minister for social policy.

Since the strike in the Brant-Brantford school system is now in its 18th day, is there any policy, or preparation, for action to be taken by this House so the matter can be brought to a conclusion before the Legislature adjourns for Christmas?

Hon. Mrs. Birch: Mr. Speaker, I am given to understand a mediator from the Education Relations Commission met with both sides yesterday and negotiations took place. The mediator is meeting again today with the negotiating team. Both sides are aware of the interest of the public and the honourable member in this matter and hopefully it will soon be resolved.

Mr. Nixon: Supplementary: I certainly thank the minister for that report, and it is well known in the area that negotiations are continuing. It is certainly regretted, and I am sure the minister would agree, that a conclusion of the strike and settlement has not been possible. Is she not aware, however, that one of the problems is that the salary matters could very well be sent to arbitration, with agreement by both sides, but other matters dealing with the organization and operation of the system cannot be sent to arbitration because the school board objects?

If that is so, would the minister not, in her policy position, consult with the Minister of Education (Miss Stephenson) and the Premier, so those matters might be sent to a special committee established by the government, so arbitration on the salary matters could go forward and the strike could come to an end with a clear understanding on both sides that the matters in contention, dealing with the operation of the system, would be dealt with in a fair, equitable and, I hope, expeditious manner?

Hon. Mrs. Birch: I am sure the mediator is well aware of all of those particular concerns and, hopefully, that is exactly what he will be dealing with when he meets with the negotiating teams today.

LABOUR RELATIONS

Ms. Bryden: I have a question for the Minister of Labour. In view of the fact the strike at Blue Cross is now in its tenth week and the company has refused to bargain since the strike began, will the minister tell us what efforts his officials are making to bring the parties together in order to enforce the law about bargaining in good faith and to end this distressing strike by employees trying to obtain a first contract?

Hon. Mr. Elgie: I am sure the member is aware the mediation staff in our division remains willing and eager to participate in any mediation endeavours at any time. If the member has reason to believe intervention by that staff at this time to facilitate further meetings would be helpful, there is no problem at all in asking them to do so. As of the present moment, we have had no immediate indications from either party that there are any prospects for such a meeting, but if the member has reason to suspect now is a good time for further negotiations to commence, we will be glad to arrange it.

Ms. Bryden: Supplementary: I visited the picket line at Blue Cross this week. They indicated they were willing to have a mediator come; so it seems to me it is up to the ministry to go to the company. They told me the main issue in this strike was the question of union security for a newly certified union. I would like to ask the minister will he not change his views and commit himself to bring in legislation as early as possible next session on union security to avoid the necessity for—

Mr. Deputy Speaker: The question has been asked.

Hon. Mr. Elgie: The member asked that before and my answer remains unchanged. It is a matter which is under consideration and no commitment can be given at this time.

ENERGY RATES

Mr. Mancini: I have a question for the Deputy Premier and Minister of Energy. It has been nearly four years now since I first

brought to the House the plight of the Ontario greenhouse farmers, which has given the government ample time to take a direct course of action to assist the greenhouse growers of Ontario.

In view of the fact this has not happened, could the Minister of Energy inform the House if he will make representation to the Ontario Energy Board on behalf of the Ontario greenhouse farmers that they should not be charged the new 1980 prices for natural gas and that their fuel bills should be frozen at 1979 levels, the difference being subsidized by the government of Ontario?

Hon. Mr. Welch: The honourable member certainly knows it would not be proper for the minister to intervene with respect to any particular group of users. The industry to which he makes reference has an association. If they feel they want to make some representations, particularly as they relate to rates, they are at liberty to do so, I suppose, when any rate applications are brought before the board.

The honourable member has perhaps overlooked the fact the Ontario Energy Corporation is involved now through the agripark development to see what the possibilities are of recovery of some of the heat from some of our plants and there is experimentation in this line. This doesn't speak to the particular problems greenhouse people will have at their locations now. The member for Kent-Elgin (Mr. McGuigan) made that point at the standing committee on general government when we were going through the estimates of the Ministry of Energy last Wednesday.

I can say I would be very happy to continue discussions with the honourable member to see in what ways the Ministry of Energy can be of more particular assistance with respect to the concerns he has expressed. No doubt, the Minister of Agriculture and Food (Mr. Henderson) would want to be involved as well.

REPORTS

STANDING RESOURCES DEVELOPMENT COMMITTEE

Mr. Yakabuski, on behalf of Mr. Villeneuve, from the standing resources development committee reported the following resolution:

That supply in the following amounts to defray the expenses of the Ministry of Industry and Tourism be granted to Her Majesty for the fiscal year ending March 31, 1980:

Ministry administration program, $3,694,100; policy and priorities program, $2,158,000; industry development program, $19,669,000; tourism development program, $15,524,000; Ontario Place Corporation program, $1,941,000; and industrial incentives and development program, $21,635,000.

STANDING GENERAL GOVERNMENT COMMITTEE

Mr. McCaffrey from the standing general government committee presented the following report and moved its adoption:

Your committee begs to report the following bill without amendment:

Bill 164, An Act to amend the Assessment Act.

Report adopted.

Ordered for third reading.

MOTIONS

COMMITTEE MEETINGS

Hon. Mr. Wells moved that the standing resources development committee be authorized to meet on the evening of Monday, December 3, to consider Bill 24, An Act to amend the Environmental Protection Act, 1971.

Motion agreed to.

Hon. Mr. Wells moved that the standing administration of justice committee be authorized to meet on the afternoon of Wednesday, December 5, 1979.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 360 and 364, inclusive, standing on the Notice Paper. (See appendix, page 5043)

ORDERS OF THE DAY

THIRD READING

The following bill was given third reading on motion:

Bill 164, An Act to amend the Assessment Act.

CONCURRENCE IN SUPPLY

Resolution for supply for the following ministry was concurred in by the House:

Ministry of Housing.

House in committee of supply.

ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS
(continued)

Resumption of consideration of the estimates of the Ministry of Treasury and Economics.

Mr. Deputy Chairman: The honourable member for Nickel Belt (Mr. Laughren) had been speaking at the last session. I believe he was waiting for a reply from the minister.

Hon. F. S. Miller: First, I assume he has completed his introductory comment. May I ask, Mr. Chairman, if I understand my two critics correctly, that looking at my estimates in general they prefer not to stick to item and vote numbers? In other words they want to have a free-ranging discussion in the time period so they do not have to be pulled up by the chair in the event they stray from a particular vote and item? Is that what I understand they would like to do? It certainly is acceptable to me, because in this particular ministry, unlike some others where programs are clearly defined, one may wish to talk about one topic that appears in two or three votes or may appear to be applicable to two or three votes.

[11:15]

Mr. Deputy Chairman: Mr. Treasurer, I want to be reasonable with the other members of the House who may not be here. As you know, we have allowed pretty wide-ranging comments on vote number one, but after vote number one it generally happens that we move along more quickly. I shouldn't say we like to move, but I am glad to hear your suggestion.

Mr. Peterson: We have had brief discussions among ourselves. I think my colleagues agree, and I think my friend from Nickel Belt agrees, we are just going to have a wide-ranging discussion; we could stack all votes and do them all at the end; we won't address our minds to specific votes until the very last moment.

Hon. F. S. Miller: Mr. Chairman, if you wish to put the general discussion under vote number one for the convenience of the chair, that's fine by me.

Mr. Deputy Chairman: All I am saying is we have spent a great deal of time on vote number one; I presume that's what you want to do, but at the same time I have got to be reasonable with the other members who are not here now and who may want some time to discuss some other particular items.

Mr. Peterson: We are certainly happy. I know I am and I think my colleague from Nickel Belt is, as is the Treasurer. Any other members of the House who want to participate can do so at any time. I frankly don't detect all that much interest in it. It's a tragedy that we are the only ones interested in the fiscal integrity of this province. We have certainly never seen that kind of concern demonstrated by the government at least; however, we will do our best to bring responsibility back to this faltering government.

Mr. Deputy Chairman: I think we have the tone the committee wants to follow.

Hon. F. S. Miller: Mr. Chairman, in trying to answer the opening comments of my two critics I may wander a bit or I may be a bit repetitious, but I will try to cover the points they brought up. First, I was quite happy with their respective comments. I recognize the basic function of critics is to criticize and to point out things that can be done better. I would say that having done that, I sensed both of them were quite fair in their approaches. I take their criticisms as being sincere ones rather than the kind one senses are sometimes offered the House, that is more for the record than for substance.

Mr. Laughren: We didn't even comment on your sartorial habits.

Hon. F. S. Miller: It only happens once a year.

Mr. Laughren: That may be why they don't take you too seriously in Ottawa.

Hon. F. S. Miller: It's true; it's an indication of my thrift. May I then look at the comments of the member for London Centre?

Mr. Peterson: The radical middle in London.

Mr. Laughren: The soft under-belly of London.

Hon. F. S. Miller: Yes. The first thing of interest he touched upon, apart from his comments about the general accuracy of the figures being given out by the province, and the election giveaways of 1975 and 1977, and ambiguity on interest rate policy, all of which have been touched upon at other times, is the discussion about the Lambert report and the approach in Ottawa to the control of spending. The question implied, I assume, that that kind of an approach was the best to use in the province of Ontario. We have followed the Lambert report and have reviewed it, obviously with great interest. I think that interest to some degree is substantiated by the fact a senior deputy minister is going to Ottawa, is being seconded to the very group implementing the Lambert report, and is bringing with him the expertise

he had in Ontario as chairman of management board and in other positions, General Anderson.

Mr. Peterson: Who is that?

Hon. F. S. Miller: He is being seconded to Ottawa. I think the press release stating that just came out within the last day.

Mr. Laughren: Is he a general?

Hon. F. S. Miller: Yes, he is a general. In any case, I suppose he is being paid for by Ottawa—I don't go into those details—but he is representing, in effect, the interests of Ontario and the expertise that Ontario has gained in the fiscal process.

I would think perhaps that is a compliment to the government of Ontario and its fiscal management, because one of the comments I recall from the Lambert committee, or the Auditor General of Canada, was that the federal government was totally out of control from a spending point of view.

Mr. Peterson: It was Macdonell who prompted the Lambert commission.

Hon. F. S. Miller: Yes, and through that the commission which looked at the mechanisms of controlling expenditures. It may be the feeling of my opposition critics that is applicable in Ontario, but the fact is that Ontario was perhaps well ahead of the federal government in its recognition of the need to bring the spending of government under the control of the Legislature and of the politicians, rather than letting the process itself continue to proliferate.

If I recall the gist of Mr. Macdonell's comments that was really it, that the cancerous growth of the bureaucracy in Ottawa appeared to be going unchecked by any form of control. Any of us who have had any contact with it I think sense that. Certainly the budgetary deficits of the last few years, during which there have been horrendous changes, would indicate that.

He implied that the federal government should go to a five-year plan, and you talked about that. I would say this: while we deal with budgets one year at a time, the assumption that Ontario doesn't plan past that, of course, is wrong. You could look back to the budget papers that are attached each year, perhaps to the 1977 budget paper that talked about moving "towards a balanced budget," where we spelt out the prerequisites. I talked about it in my first budget this year, where I said it required something like a 2.5 per cent spread between revenues and expenditures to achieve a balanced budget and we had the potential to do it.

Ministries have always worked a number of years ahead. Certainly in the Ministry of Health, the minister there couldn't help but be planning the hospital requirements of the province or the programmatic requirements. We talk about regional priority budgets; we very often phase them over years. The Ministry of Transportation and Communications could easily show you its future planning. But one reason we have avoided going on a five-year record in public is that one of the great advantages of our system of government is we are flexible enough to adjust, either by speeding up or slowing down some of those forward planning projects to meet a given year's economic state.

A number of the techniques suggested by the Lambert report were talked about the other day when the debate in this House was carried on. I think my friend the member for Oriole (Mr. Williams), spent some time discussing it, and some of his comments are still apropos about management by objective and the policy-program budgeting systems under new names that perhaps were suggested by Lambert.

The fact is that some of those have been used; some of them still are used; and some of them, sadly enough, in our experience often add to the very problem they are trying to solve. They so bottle up the civil service in the planning process that they are planning but not doing. Those of us who have had some experience in private enterprise usually underplan and overdo; if there is a fault of government it is that it overplans and underdoes

The bureaucratic process can become so complex through some of these techniques, that may work reasonably well in certain circumstances, that we felt, first of all Ontario isn't out of control; and secondly, some of these techniques would simply add to the burden of the present bureaucracy. Interestingly enough, the bureaucracy agrees with that. Look back across the record of the years since Mr. McKeough, in the fall of 1975, said, "The growth of government has been so rapid that something must be done. We physically won't be able to borrow the money to finance this province if we keep on at the present rate. We've simply got to bring things to a grinding halt." We then embarked upon pretty Draconian measures. If the members recall that was the midwinter I embarked upon the hospital constraint exercise, which was not a very pleasant task. However, it was perhaps the most symbolic of all of them because it was the one the public—

Mr. Peterson: Symbolic but not successful.

Hon. F. S. Miller: I would argue that. Hindsight is a great thing. I don't pretend to have planned what happened as a result of the measures I chose to undertake to meet the Treasurer's requirements.

I say I chose, because a lot of people went around assuming I was told this was the route I had to take to save the money the Treasury asked me to save. That wasn't so. As the then Minister of Health, I have to say I take the responsibility for the choices made, because they were mine. Let me say the purpose was to stop a system that was growing at the rate of 25 per cent a year from continuing to grow at that rate. That has something to do with this Lambert report.

At that point the political will was imposed upon the system. Routes were chosen that weren't necessarily totally accurate or successful, but which in the final analysis had exactly the result the Treasurer wanted: which was that we brought a realization, not just to the health system but to a good number of other agencies and government-dependent organizations, that the days of unlimited growth were over and the days of budgetary control had to start.

In fact I found the hospital system itself reacted with a great deal more responsibility in looking at its spending and brought it under control very quickly; albeit with some disagreements, but interestingly enough not half as many as the press of the day made us think. The support through the system was great. I'd say the message there was that the essential part of a government control exercise isn't a system one designs or a bureaucracy one sets up, but a determination by the politicians it must happen and the will to see it happens.

Ontario will be criticized to some degree, I'm sure, by the two members, but Ontario has been looked upon by many other jurisdictions as having done a job in advance of the public perception of the need to do it, and in time to avoid some of the catastrophes we've been seeing on the federal scene in Canada and are seeing in other countries.

Interestingly enough, about two or three weeks ago I had a visit from the West Germans. I guess all of us have the perception they are in great control of their economy. Mind you, I was talking to their opposition people so I wasn't hearing the best side of things.

Mr. Laughren: Unlike Ontario where you hear the best side from the opposition.

Mr. Peterson: The truth comes from the opposition here.

Hon. F. S. Miller: Yes. They were quite impressed with the fact that Ontario alone had done some of the things they were unable to do even in a country as used to authoritarian decision-making process as they have been.

The member got on to the balanced budget. At one point in the course of his comments, he asked what my predictions were for cash requirements. I think he saw in the papers yesterday that the third quarter of the year was surprisingly buoyant. I think they mentioned a 1.3 per cent growth or some such figure. We keep on being pleasantly surprised by the buoyancy of the Ontario economy this year.

We predicted somewhere around 133,000 jobs for the year. We're currently at a 170,000 level, and it looks as if we'll manage to hold that through to the end of the calendar year. We kept saying, when the results were good—we were at the 145,000 level back around June or July—that it was better than we predicted but we really were expecting some softening; so far it hasn't happened.

[11:30]

What does that do to my cash requirements? My inflow of cash in some areas lags behind the events of the economy. On sales tax the lag is not much, but it could be 50 days; sales tax being collected on the 23rd of the month reflects something that occurred at least 23 days before, and perhaps as much as 53 days before.

Corporate tax payments reflect a much longer lag. They may reflect a quarter of a year lag or more, depending on the size of the corporation. I suppose the smaller the corporation the greater the lag, because their accounting practices don't necessarily adjust their corporate payments to reflect that immediate quarter. They look at the whole year for their picture, rather than quarter by quarter.

I can safely say that because we have had a good first three quarters of the calendar year, which means two quarters of a fiscal year, we're mildly optimistic about the cash requirements for this year. We add the caveat that I still have January, February and March to go through. Those months could see the predicted downturn, they could see the cash requirements change somewhat.

We have had a few disasters hit the budget, literal disasters, apart from the kind the member would imagine with me in control. I refer to things such as the Woodstock incident; the blight on the tobacco crop; the Mississauga disaster—which is as yet unassessed in terms of any provincial

cost, outside of those immediate policing costs and so on. We have also made some discretionary decisions to increase health-care spending. But even so, the spending side is doing very well in terms of being close to projected figures, as the quarterly report shows.

The revenue side is buoyant. Therefore I can say, with some measure of security, that by the end of this fiscal year we will probably better the projected cash requirements. If I recall them, they are $1.158 billion in the budget. Who knows? It may be under $1 billion at the end of the year if we don't have a very soft January-February-March. So in the short-term view, things are looking pretty good.

If one goes to the next year, we have many unknowns. The Iranian situation, I'm sure, is of great concern to any person anywhere in the world who is making a budgetary forecast. The federal budget, coming down as it will in 12 to 13 days, can have a direct impact on growth in Canada. There are bound to be increases in taxes which will have some negative influence upon spending power.

Therefore, almost as I answered the question of my critic this morning about what I was going to do to soften the blows, I really have to await the budget forecast of Mr. Crosbie to know what actions may be necessary in Ontario to do whatever we can to alleviate the results.

The Canadian price of oil, one can be reasonably sure, is not going to affect us too much until mid-year. I think the member would accept that, wouldn't he? I don't expect we're going to see anything other than the agreed-upon $1 increase on January 1.

Mr. Laughren: Psychologically it will affect us before then.

Hon. F. S. Miller: The psychology of it is affecting us right now. Let's be honest. The psychology of the American scene is affecting us more than the psychology of the Canadian scene.

Recently, one of these consumer confidence polls that some group was running showed that our people still had very high confidence. This is obviously because people are at work. The human being who feels his job is reasonably secure, or who is employed to begin with, is generally a person who looks around and says, "I think I can make this purchase or that purchase." The problem in the United States is that degree of confidence hasn't been manifest.

Mr. Laughren: The auto workers in Ontario aren't feeling too secure.

Hon. F. S. Miller: Auto workers in Ontario, with good cause, have not been secure. When we get to the member's point I'll try to discuss that.

Mr. Peterson: The NDP caucus isn't feeling too secure.

Hon. F. S. Miller: Become Treasurer and you could almost become paranoid.

In any event, I'd say I'm satisfied that progress towards balancing a budget is as good as we anticipated and perhaps a little better. I am aware the economy could make this government, possibly with your concurrence, take steps this coming year or the following year to stimulate the economy.

Mr. Peterson: Particularly if there is an election.

Hon. F. S. Miller: There won't be an election this coming year unless we're forced into one. I think that's a safe thing to say.

Mr. Peterson: We may be obliged to straighten this place out in a hurry.

Hon. F. S. Miller: You may be obliged to? You would probably be obliging us if you did so, because that would immediately put us back in a position of majority.

Mr. Peterson: Oh, we'll see about that. Don't get too cocky.

Hon. F. S. Miller: We don't want you to hurry up. We've grown accustomed to your face and your suits.

The member talked about small business development corporations to some degree too. As to what the SBDCs are doing, as a matter of confidence, we're required, as a government not to reveal certain things, that's part of the rules of the game. In general terms, without getting into particular companies and particular investments, while most of them are still in the organizational phase, obviously, others are choosing and making investments. It's interesting to see they're taking some flyers. I see a couple of them making investments in solar heating manufacturing.

Mr. Peterson: How many investments have there been?

Hon. F. S. Miller: I think there are 18 registered.

Mr. Peterson: How many different investments would that be?

Hon. F. S. Miller: I can't tell you how many specific investments. I've got the dollars already invested per company. The investments made were $432,000 as of the date this was printed. That's two or three weeks old.

Mr. Peterson: How many companies would that be?

Hon. F. S. Miller: In the range of 10 different investments. The fact that 10 of the companies haven't as yet made any investments would indicate that some of the companies are into more than one thing right now.

Mr. Peterson: That's not very much; this is six months after the fact.

Hon. F. S. Miller: I'm more than pleased with what's happening. I found that while you and I in this room can assume that because we talk to each other about a program it must be instantly understood, out in the business world people who one assumes would be right up on top of things often aren't.

I have little chats and lunches with executives of corporations and others, such as union members and union leaders.

Mr. Laughren: Stop trying to back-fill.

Hon. F. S. Miller: No, I don't need to. I can gladly take you to members of my own family who are members of unions.

Mr. Laughren: Your sister is probably married to one.

Hon. F. S. Miller: As a matter of fact, she is. I have three sisters, two of them were married to union members. I have several nephews who are union members.

Mr. Bradley: This must be somewhere in the Treasury estimates.

Hon. F. S. Miller: There is a voice from the wilderness. I have to tell you, at the same time, I don't have any biases, such as you want me to have, against such things. As your learned Speaker once said to me, with my background, where did I go wrong?

In any case, I would say that we are seeing the kind of success that is at least as good as predicted for SBDCs. Yesterday, when the northwestern Ontario chamber of commerce group came in, they made certain suggestions to us about the application of SBDCs in the north. I was pleased to note some of these investments are obviously going to the north. Does the honourable member want to hear some of the kinds of things—

Mr. Peterson: Yes, give us details.

Hon. F. S. Miller: I can't give details of specific companies, but only the kind of things, like specialized pump equipment manufacturing, tool and die manufacturing, electrical parts, mining machinery manufacturing, aerospace components, digital clocks, microwave ovenware manufacturing, electrical parts manufacturing, tools for the automobile industry, solar heating investment, lumber production, clothing production, fertilizer, artificial fire logs, tourist complex—that is one of the biggest ones, $1 million. Again, more aerospace products, fur processing and wineries. Those are the kinds of investments that so far have been made by companies.

As I have said, I was interested about the northwestern Ontario group, because they say they liked the plan and were quite enthused about it, but in the smaller communities of northern Ontario finding enough people to raise a quarter of a million dollars was difficult. I think the honourable member may have mentioned that in his opening comments to me. I think he will recall my saying nothing was sacred in the plan, but we had to start somewhere and we had chosen certain things.

What I did say to the northwestern Ontario group yesterday in response to their point was that I could quite accept this was so and that I would like to take a good hard look at the statute and regulations to see whether there are ways and means of making exceptions for smaller communities in the north. If there are, I would think the honourable members would agree it should be done.

Mr. Peterson: Why not drop the limit to $100,000 or $150,000?

Hon. F. S. Miller: It may be the way we choose to do it, I don't know yet. All I said yesterday—and I think it surprised them and probably surprised me—is that yes, having listened to the arguments, I accept your point for the north.

Mr. Peterson: Do it in the south and the east, too, it doesn't really matter.

Mr. Laughren: You can start in Atikokan.

Mr. Peterson: What about debt versus equity? Is that—

Hon. F. S. Miller: Do you mean in these companies? I have no details, I have only the investments of the small business development corporation, which has to be equity. These are all equity investments shown here.

Mr. Peterson: Has the minister had representations to employ it more for debt going into companies?

Hon. F. S. Miller: No, I don't see those. The administration of it is under the Minister of Revenue (Mr. Maeck).

Mr. Peterson: I am just wondering what kind of feedback the minister is getting, whether he should—

Hon. F. S. Miller: I haven't had any criticism on that. I have had to look at a number of applications where one had to

decide whether the intent of the act was being met. We had to put one limitation through policy, that the sum total of SBDC interests in any one ESB would be 60 per cent, because we saw some rather neat arrangements being made. We wanted basically to protect the small entrepreneur. We didn't want him moved right out of his company by two SBDCs taking the 98 per cent that theoretically, they could take in the beginning. On a policy basis, we have been sticking to 60 per cent and that seems to be acceptable.

Mr. Peterson: That is the maximum SBDCs can take in any company. It is something we talked about at the time.

Hon. F. S. Miller: Yes, so we did stick it at 60 per cent as a matter of policy, after some specific examples came in where the ESB could be a higher percentage.

Mr. Peterson: Because we are talking informally, I am just as happy as if we were sitting in a committee room chatting, if we can do that.

[11:45]

Hon. F. S. Miller: I have no objection at all.

Mr. Peterson: If the Chairman has no objection, we can just sort of sit and chat.

Mr. Laughren: I feel a little uneasy about that because I would like to have the Treasurer respond.

Hon. F. S. Miller: Let me finish my response; if members feel they need to make an interjection, they have never been prohibited in the past. If it is a worthy interjection, I will be glad to respond.

Mr. Laughren: You will sit in judgement.

Hon. F. S. Miller: Yes. We got into a discussion, as we almost always do, on equalization payments in Canada and Ontario's position on it. That is almost a topic by itself.

Let me try to summarize my feelings about it. I feel the oil issue has unduly complicated the public perception of equalization payments. I will be a bit didactic for a second. You know the reason for them in the beginning. They were started 20 years ago simply to transfer to provinces with low tax yields something like the national average on three basic sources of revenue; succession duties, corporate tax and personal income tax. That gave those provinces a little more revenue so they could carry out certain programs we felt all Canadians were entitled to, which a given province may not be able to afford.

Mr. Hodgson: Mr. Chairman, on a point of order; the Ministry of Treasury and Economics is far too important a topic for us to be sitting here with only seven members in the House. I don't see a quorum.

Mr. Deputy Chairman called for the quorum bells.

On resumption:

Hon. F. S. Miller: For those members who have rushed in from some other place, I will now carry on and I would expect to see them disappear as quickly as they came.

I have a sneaking suspicion, Mr. Chairman, that now that we have brought in this many people there may be more interruptions.

Mr. Deputy Chairman: If the Treasurer will proceed with his reply we will try to keep it a little more formal.

Hon. F. S. Miller: I will return to my discussion on equalization payments, their basic principle and what has happened to them.

We started with those three tax revenues. Let us recognize that we are talking about provincial tax revenues versus personal income of citizens within a province. They are not totally unrelated, one would think, but they can be unrelated particularly if a province chooses not to levy a particular tax, or has a lower rate of levy of a tax.

With those three sources of revenue, perhaps life was reasonably simple. But as we finally expanded the program to include 29, life became a little more complex, because not all provinces have all 29 sources of revenue. Even then, we find some, like Alberta, have great gobs of revenue in one of the accounts and another province, like Ontario, might have very little revenue in a particular account. A province like Prince Edward Island has virtually zilch. I am thinking of, say, resource revenue.

Mr. Peterson: It's a function of size, too.

Hon. F. S. Miller: Sure. It's not just a function of the size though, it's a function of many things. But it's always supposed to be a measure of a province's ability to raise the funds to produce necessary government services. I think that was the fundamental principle. We have amended it so that we only allow for half of the resource revenues. We have amended it to have the formula of gross payout limited so that no more than one third of it is resource revenue. Those two caps will of course restrict what happens in the future.

As I see it, the great weakness of equalization payments has been that they committed the federal government to make disbursements without necessarily giving it a revenue source to cover those obligations. This was particularly emphasized when the oil and gas revenues started to flow in large

measure to the wealthier or to the producing provinces. We see then the obligation going from something in the range of $150 million in its first year to something around $3 billion in the next fiscal year. It has gone up, in some ways, at a compounded rate of 15.5 per cent if I recall. Anyway, it has gone up almost 100 per cent per year, if you look at the figures, from $150 million to $3,000 million in 20 years.

If the source of the federal revenues to meet the equalization payment obligations was somehow proportional to the wealth of the provinces, I think it would be reasonably fair. What has happened is the taxing powers of the federal government have not given it access to certain forms of wealth, but have left it with its traditional tax bases. So you see it turning to the alleged 25 to 30 cents a gallon excise tax on gasoline. That has nothing to do with the oil price at all. It is strictly a fiscal measure, aimed at trying to solve the kinds of problems brought about by the great growth in the federal government's responsibility to meet equalization payments out of its legal tax base. That, of course, then brings us into the oil fight, the revenue fight. It is of interest to Ontario in a very direct sense because 43 per cent of all federal revenues come from Ontario. Therefore, 43 per cent of equalization payments come from Ontario. I think you would accept that.

Mr. Peterson: Yes, but it's not as direct a phenomenon as you would have us think.

Hon. F. S. Miller: No, but in general terms if the requirements of the federal government go up, unless they find a new way of reallocating their tax moneys within this country we can be expected to pay our share of it. I don't think we have argued that, except to say that no longer reflects the ability of the people or the province to pay. That's where the issue comes in, because the money we pay at the pumps or at the home for gas and for fuel oil—that price is, admittedly, artificially set—flows directly to the producing provinces. It gets split 45-45-10 roughly. The 45 per cent that goes to the provinces, without envy, simply is not available for the federal government, yet it is used in the calculation the federal government has to use to meet its obligation.

Therefore, they make their payments, turn around to their tax bases where they can find them and raise the money. That means that not only do we pay more for the oil at the pump or the home but in turn, we, in Ontario have to pick up 43 per cent of the equalization tab inflated by the oil wealth of the province.

Mr. Peterson: You still get 60 per cent back, so you are a net winner.

Hon. F. S. Miller: We don't get anything back on equalization payments. That leads us to the point you brought up. Why isn't Ontario taking its money on the equalization payments? If you didn't bring it up directly in your opening comments, it's a point you have raised before and your leader certainly has raised.

I would have to say at that point the exact figures for the record, according to our estimates, are that in 1977-78 the federal government would have owed us $109.9 million. In 1978-79, they would have owed us $202.5 million. In 1979-80, they would have owed us $154.4 million. We really can't predict what they would owe us in the next fiscal year until we know the price of oil.

Mr. Peterson: Are you using the present formula or the Bill C-26 formula?

Hon. F. S. Miller: That's the present formula, as I recall. For your information, the total equalization payments made by the federal government in those same years in the same order are $2,587.3 million, $2,857.5 million and $3,010.7 million. Ontario was entitled to somewhere between four and seven per cent of the gross payout under the formula, whereas it's contributing some 43 per cent of it.

[12:00]

Obviously, when one starts negotiations, one should not cut off too many alternatives, so if I sound cautious in what I am saying, it is not through unwillingness to try to be specific, but it is in the interests of having a free enough hand to look at propositions that may come up on the federal scene as we discuss this problem.

Ontario's first position was, "Don't raise the price because all you are doing is compounding the problems and causing governments to take actions to support consumers that are not necessary if you don't raise the price." I think all parties have agreed on that.

Assuming the price goes up, then Ontario has said, "We do not believe the equalization formula had the intent nor the design to give us back the moneys we see as being needed to recycle oil revenues, as it presently is designed." Therefore, we are not encouraging that route and, therefore, we haven't taken our money, because we do not believe it was the intent of the original design.

Second, being totally realistic and pragmatic, while Bill C-26 was not passed—and I was wrong on that one day; I quite hon-

estly admit that—the intent to pass it retroactively is there, and I believe it is still there. I am not sure, but I believe that is so. In any case, they are already carrying out calculations on the oil-lease revenues, I am told, on the assumption that they are going to be changed. Ontario had agreed with that in the beginning.

I am only saying that if all negotiations fail and the bill doesn't come in, Ontario may eventually say: "Fine. Having lost on other fronts, this money is now due us."

Let us look, though, at the alternative to that. If a good redistribution of oil revenues isn't worked out in Ontario's interest, then I would think the second position Ontario would have would be to look at equalization payments in a totally new light, a totally new purpose and totally new design. Then one would be saying they are there not only to support governments to make basic individual services, but may also be there to redistribute wealth. This would enable taxes in certain provinces to be lower than they otherwise would and, therefore, consumers would be left with more money in their pockets because oil prices are maintained at a high level. That kind of thinking may be required.

So we are going to be entering a very interesting and complex time as we go through the discussions of the redistribution of oil wealth and the equalization-payment formula.

Mr. Peterson: Can we pursue this later?

Hon. F. S. Miller: Yes, sure.

At one point in your comments you talked about debt-to-equity ratio at Hydro, I believe. I don't have figures at my fingertips, but I thought they were somewhere around the 80 per cent level.

Mr. Peterson: Get George out here.

Hon. F. S. Miller: I was going to go through my opening statements without a phalanx of bodyguards and then we will have those people who really know the answers out here.

Interestingly enough, the major way to cut the debt ratio in Hydro is to increase the rates.

Mr. Peterson: Or cut back the borrowing.

Hon. F. S. Miller: Or cut back the borrowing, yes. In fact I would guess that the borrowing this year will not reach its projected levels. The reason for that will be that revenues for Hydro from export sales are a little better than they have been and certain projects have not come on stream as fast as originally predicted.

But I hope you recognize that a fundamental part of the Minister of Energy's long-term proposals is the substitution of oil by other forms of energy, either indigenous to Ontario or renewable. Electricity can fall into both categories. Is it 37 per cent of Ontario's electricity which is currently generated by water? Obviously, there is some potential for expansion. I think that is correct. Let's not argue. I used 30 per cent one day and immediately got corrected by somebody from Hydro who said it was 37 per cent. It's 30 per cent to 37 per cent, the balance is the principal. The balance is either oil fired, coal fired or nuclear.

Ontario has emphasized nuclear power for the simple reason it is low-cost power and dependable. We have, we think, the best system in the world. We have the resources to produce the fuel for reactors within the province and we see a need, as time goes on to—

Mr. Peterson: You have friends in the business.

Hon. F. S. Miller: We all have friends in the business because they're citizens of Ontario. Surely all citizens of Ontario are my friends, your friends, and the NDP's friends.

In any case, of necessity there will be a replacement by electricity of oil in particular, gas to a degree and coal to a degree in so far as we can fuel by other than those fuels. While the load forecasts have been criticized and while no one would attempt to defend whether we should or shouldn't have the 20 per cent excess capacity we have, the fact remains it is going to look very good as time goes on.

When one goes to Quebec and sees them opening up the Baie James project one is able to say right now what the cost of electricity will be in Quebec in the year 1995. I think the member would agree with that. The capital costs are known. There will be some variation in the insignificant parts of electrical generation—that is repair, maintenance and the labour of maintaining the lines. They're not insignificant in total dollars, but perhaps in terms of the cost of power that advantage can look better and better.

While nuclear power doesn't have quite that kind of stability in terms of forward pricing, once the plant is in place a great big chunk of your future forecasting cost is in place. I think you would agree with that. The only variable then, apart from the manpower to run it, will be the future price of uranium. There are a lot of arguments about that. I'm not about to say what it will

be, but I suspect since we're finding more and more uranium deposits as time goes on through this country and through the world, there's probably going to be some competition for sales for a while. This may be in the interest of Hydro and others.

The deteriorating debt-to-equity ratio, if it is deteriorating—and I would have to see the figures to say whether it is deteriorating or maintaining a higher level than one would expect to see in a privately-owned operation —has been, in large measure, an attempt to make sure the increases in the cost of hydro to the consumers of Ontario were kept to their absolute minimum level. If one built in an extra two or three per cent in the rate, one could obviously start cutting down, either in the borrowing, which would be the current basis, or some other form of debt reduction.

The member also got into pensions and I have some notes on pensions. I assume you looked at the province's recent paper on pensions, Treasury Study 16. That was put forward as a staff paper for interesting discussion and analysis, by people who have more knowledge of the variables than I pretend to have, because when I start looking at some of the equations and curves I will be the first to tell you, I couldn't be a critic of them.

The basic conclusion of the third part was an interesting one. It says, "A Policy Dilemma"—did the member read that? The basic conclusion of the third part talked about pay-as-you-go or funded pensions. I think that's the issue you tackle most times when you talk in this House.

It says, "A Policy Dilemma: The Conflicting Conclusions Post a Dilemma." The conflicting conclusions were that contribution rates are lower on pay-as-you-go in the early stages and higher in the later stages. The economy appears to do better on a funded pension plan; the total costs are lower on a funded pension plan, but the initial costs are higher to the person making the contributions. You have that dilemma of deciding what is in the immediate and long-term interests of the people involved.

Since our last lengthy discussion on this in my last estimates I have had the benefit of talking to a number of people who are actuaries and in the business. I was rather surprised to find that they're not half as gung-ho to support totally funded pensions as I expected they would be. I guess my first simplistic reaction, in advance of being Treasurer, was that a totally funded pension is the only safe pension. Their answer, in many cases, is that somewhere in between is probably going to be the right mix. I'm now talking not about government people but people who sell pension plans and are in the private business world.

I am going to await the findings of our royal commissioner. The member said I would say that. But in all honesty, I think for a minister to stand up in the middle of a royal commission and pontificate upon the outcome would prejudice the work of that commissioner.

Mr. Peterson: Not if he doesn't know anything about it.

Mr. Laughren: And they know he doesn't know anything about it.

Hon. F. S. Miller: Even if he doesn't know anything about it, it's assumed he does.

Mr. Peterson: You assume people take you seriously.

Hon. F. S. Miller: In my case, the analogy the member attempted to draw was totally erroneous.

The fact remains I really respect the need for the royal commissioner to require a certain degree of freedom from prejudgement of her work. I only hope the report comes in as quickly as possible, although I set June 1980 as the most likely date.

Mr. Peterson: What's your opinion of the economic council report that came out this week?

Hon. F. S. Miller: What aspect of it?

Mr. Chairman: Order. There will be ample time to ask further questions.

Mr. Peterson: On contribution rates.

Hon. F. S. Miller: The 9.9 per cent, or whatever it was.

Mr. Peterson: Seven per cent.

Hon. F. S. Miller: That's the very kind of thing I think I should not offer a public opinion on because I hope it's the kind of thing I'm going to be hearing from the royal commissioner in due course. We have put out here, without attempting to tell you the answers, the problems and the alternatives.

Mr. Peterson: I know the problems and I've got the alternatives.

Hon. F. S. Miller: That's the great advantage of being totally certain.

The fact remains I hope that will be a useful discussion piece within the areas where people pay a good deal of attention to it.

Mr. Peterson: The Treasurer can get his two-handed economists working on that.

Hon. F. S. Miller: If the member can find me a one-handed economist, I'd like to meet him.

Mr. Peterson: What about the problem of funding to pay back the CPP over the next 20 years?

Mr. Chairman: Please disregard the interjections or questions.

Mr. Peterson: Mr. Chairman, it's not an interjection, it's a discussion.

Mr. Chairman: Order.

Hon. F. S. Miller: When I have my staff beside me, we'll be coming to the specific questions such as the honourable member is now posing.

I will move to the opening statement of the member for Nickel Belt (Mr. Laughren), representing the NDP. I had a lot more notes on him. I'm not sure I can answer them clearly.

Mr. Peterson: The eight questions.

Hon. F. S. Miller: Eight questions, yes.

I would only make one of my snide political comments that we always have to have a bit of rhetoric in our opening statements. The member for Nickel Belt was talking about the public ownership of resources being the key to the health of the economy.

Mr. Laughren: On a point of personal privilege: If I recall my words correctly, I said the public ownership of the resource industry was the key to unlocking the economic development of Ontario.

Hon. F. S. Miller: I think the member is probably quite right. I even have the words "economic development" in my notes.

Mr. Laughren: It's a nice lever.

[12:15]

Hon. F. S. Miller: The member for Nickel Belt wants a healthy private sector. He also said that. So do I. That made me think of my days as Minister of Health when healthy things were all I was interested in. I learned then of an interesting cause of disease.

I read a book by a man called Ivan Illich. The lady behind me introduced me to him once. It was called Iatrogenic Diseases or some such thing. Those are diseases induced by the physician. Those are diseases caused by going to see a professional.

The big difference between you and me is the determination as to how involved the physician should be in the health of the economy. If one has a physician too involved in one's personal health, one starts to suffer from diseases caused by the physician. May I suggest to you the same parallel applies in the economic field. We could have iatrogenic economic disorders. How's that for an economist?

Mr. Laughren: If the patient doesn't look after himself then the physician must.

Hon. F. S. Miller: That's true, but that's a big difference between your approach and my approach. I agree completely with that. There is a role for the state. I wish things were as white and black as our theoretical philosophies would make us believe they are. I've come so far towards understanding that there is a need for the role of government that I have the Employment Development Fund doing things. But the real difference is one of degree. It's not a question of absolute differentiation. So I would have to say public ownership of resources would not be the answer to unlock the key to economic development but, rather, private ownership is—with government involvement in the process and profiting from the development of those resources.

I'm going to have more trouble answering the member for Nickel Belt's questions than I had the member for London Centre's. You talked about our manufacturing industry. You noted, I think it was in your speech, the relative decline of the percentage of jobs in the manufacturing sector. I'm not here to quarrel with those percentages. I don't have any counteracting figures. But I would say that's one of the problems with taking one statistic by itself. If 30 per cent of the work force a few years ago was involved in manufacturing, and 24 per cent now and 22 per cent a couple of years ago, whatever the figures were—I'm going by memory—it doesn't necessarily follow that there's a decline in the manufacturing sector. We have been entering an age of greater and greater automation, as you know, and this involves more output per person employed.

Second, that means there are more people employed in nonmanufacturing sectors as the economy improves and we have seen a great growth in the service sector. So the percentage of total jobs in manufacturing has declined, true, but the total number of jobs has increased, true. So we can both look at the factors and say from your point of view it's a failure, and from my point of view it's a success. That doesn't mean we have solved the problems of manufacturing in Ontario. We haven't.

You touched upon GATT and what's going to happen in that. Ontario has consistently said throughout the GATT negotiations that our industries were the most sensitive to the changes. We did have some of the higher protective barriers. Perhaps we have been naive as Canadians in the world market because it wasn't just tariffs that protected

industries, it was the policies of governments that protected industries.

We lost the UTDC deal in the States a while ago, I think it was Philadelphia. Just yesterday, somewhere, someplace, I read the kinds of pressures that were brought to bear upon Philadelphia, and Boeing, to make sure Canada didn't get the deal and that a Japanese consortium did. That is the kind of trade-off that some of the foreign countries have been taking.

I must say the aggressiveness, particularly of Japan and Germany in the foreign markets and their protection of the home market—especially in Japan—has made tariffs just one and perhaps not the most important of the many factors that relate to our success in foreign trade.

Even so, we recognize that we will have to work with the federal government to have adjustment aid available. The Minister of Industry and Tourism (Mr. Grossman) can more appropriately discuss the form of aid that will have to be available.

I also take great pleasure in looking at the jobs created, and where they are created over the last couple of years. Last year, of the 144,000—or whatever it was—jobs created in Ontario, 102 per cent were in the private sector.

Mr. Laughren: Say that again.

Hon. F. S. Miller: I said 102 per cent were in the private sector.

Mr. Laughren: I thought that's what you said.

Mr. R. F. Johnston: That is naturally obvious.

Hon. F. S. Miller: It is obvious, because there was a net decline in the public sector.

That compared to an historic average of something closer to 70 per cent private, 30 per cent public, over a number of years. I am told that in 1979, 170,000 jobs are again 100-odd per cent at least, private sector. That can't help but be a healthy sign, because it means all of those are net producers of wealth. You don't have a seven-to-three ratio of dependence upon others for income.

Mr. Laughren: But if London Life hires another 10 insurance salesmen, that's individual wealth, not community wealth.

Hon. F. S. Miller: Wealth is created in many, many ways in the private sector, and London Life is not likely to hire 10 to flog it, unless somebody is making money to buy it.

Hon. Mr. Gregory: That's commission; they're not paying anyone, they're not paying a soul.

Hon. F. S. Miller: The honourable member got onto the conference board and its forecasts of growth. I think he talked about 30,000 jobs being predicted for next year. We haven't come to our predictions for next year yet and we won't until the federal budget is through and we get into our final budgetary process.

I would like to look back at the years 1974 and 1975 and say that while I wouldn't want to use them as a yardstick, we still saw something like 54,000 jobs created in a year where recession followed an American recession. That could quite possibly be a dangerous thing to do this year, so we are not going to make an estimate of next year's jobs. We will see the federal government's budget and then we will have to come forward with our own, after we have a better understanding of the parameters that are going to apply to the Canadian economy.

To get on to the deficit in manufactured goods.

Mr. Laughren: May I put a question, Mr. Chairman?

Mr. Deputy Chairman: That is up to the minister. Agreed?

Mr. Laughren: I am wondering if the Treasurer is not going to go into a little bit of detail about the whole redeployment problem as a result of the GATT negotiations, or whether he is saying that is up to the Minister of Industry and Tourism, because I think that is an economic problem for Ontario, not just an Industry and Tourism problem.

Hon. F. S. Miller: I quite agree it is not just an Industry and Tourism problem. The basic actions that are taken are usually just like the pulp and paper things of today. They are usually announced through that ministry and usually argued as part of their issue. I don't want to go further today but to say, "Yes, there is a recognition of the need." There has been a stated recognition throughout the whole process. When we have the economic development conference that is scheduled for the federal government, in Winnipeg in mid-January—January 18, 19, 20—is that it?

Mr. Laughren: Winnipeg in January?

Hon. F. S. Miller: Yes, Winnipeg in January, which is not for the—

Mr. Laughren: Balmy organizers.

Hon. F. S. Miller: In any event, I suspect that kind of issue is going to be high on the agenda of government planning. Certainly it is something Ontario is interested in. As you know, there is going to be a conference, with

governments, unions and industries represented. Do you know anything about it?

Mr. Laughren: No.

Hon. F. S. Miller: That was one of the platform planks of the new Progressive Conservative government that there would be a conference something like the one we had in February 1977 in Ontario, the Partnership for Prosperity conference.

The federal government feels, regardless of any provincial interest, there is a need for a national-level conference to discuss the economic future in the longer term and the steps that have to be taken. I hope this kind of issue is going to be high on its list.

Mr. Laughren: Are you going to it?

Hon. F. S. Miller: I don't know.

Mr. Laughren: I would like to go.

Hon. F. S. Miller: They have said there will be 150 people from all across Canada.

Mr. Peterson: It would be 151 if Mr. Laughren could make it.

Hon. F. S. Miller: If they prorate from across the provinces, that is 11 divisions into 151. Allowing for the feds to have their share, that gives Prince Edward Island about 13 and Ontario about 13. The fact remains that they will be choosing the delegates, and I assume ministers will be invited. I have heard some of the provinces are not willing to send ministers.

Ontario is willing to send its minister, provided ministers are attending as a general rule. In other words, Ontario is quite happy to go along with the conference, be present at the ministerial level and be observers in it. As I understand it, we wouldn't be anything but observers unless we are asked to partake in a discussion or a working session. It is aimed at getting a handle on some of the kinds of things you were talking about and, of course, many others too.

The deficit in manufactured goods, which I assume also would be discussed at a conference like that, is one of those areas where, while we may differ in solutions, we surely don't disagree in principle. Whether we talk about autos, which are a specific part of it, or whether we talk about mining machinery, also a specific part of it, the whole issue is we do need to see a smaller deficit on manufactured goods. That has to be one of the major objectives of this province.

You and I have argued at times as to whether one achieves it by reducing imports or by increasing exports. I would like to say I don't give a darn which way we do it. The net thing is to work on both of them and come up with an increasingly declining percentage.

The first thing we have to have understood in Canada by our sister provinces is the recognition this is a Canadian problem and requires a degree of Canadian co-operation to solve it. In fact, there should be a Canadian preference exhibited right across this country for products manufactured at home.

Mr. Laughren: It takes chutzpah for you to stand there and talk about procurement policies, given your record.

Hon. F. S. Miller: I would say the Ontario record is pretty good.

Mr. Laughren: I will bring up some specific cases.

Hon. F. S. Miller: The fact remains that we haven't always seen, we felt, the same enthusiasm for Canadian procurement in other provinces if the sourcing was within Ontario.

One of the things that encouraged me was mentioned by Mr. Bouey when he was talking about the high interest rates, namely, that one of the reasons for maintaining them high was that even if we let the dollar drop, our export industries couldn't profit because they are already too busy. That is not true, of course, of the auto industry at the moment.

[12:30]

One of the encouraging statistics in front of me is that capital investment in Ontario is running ahead of this year's expectations. When we started the year we said that of the $100 billion that was expected in gross provincial product, about $10 billion would be for capital investment. We are told it's running closer to $14 billion now.

Coming to the auto pact, I would point out that we in Ontario have repeatedly taken the position that Canada has to have its fair share of North American auto production. We have met and supported the Automobile Parts Manufacturers Association several times. We have supported their briefs and presentations to the federal government in that connection. We even had a paper on it in April 1978, called The North American Automotive Industry—An Ontario Perspective. In that we stated that a fair share meant we in effect should see our production growth move in step with our domestic consumer use of cars.

Of course that's the big problem in the last year, as the honourable member knows. Our sales went up about the same amount as the American sales went down. It happened that the products that were the biggest losers were the ones that happened to

be assembled here and so we saw very serious implications for us.

The study the feds had awhile back on the auto pact—I think it was done by the gentleman who was one of its negotiators in the beginning—implied that it wasn't wise to reopen the talks right now. I would support that in the sense that there may be more to lose than there is to gain at the present time.

Mr. Laughren: Would you sign a document that it would cost you more than it is costing us now?

Hon. F. S. Miller: We sense that the American Congress right now hasn't been willing to provide many trade concessions. I think the member would agree with that because they are facing a recession and they are facing a deficit in their foreign trade also. Obviously they are starting to protect the home front. We are going to have to do our darnedest; and I think through the Employment Development Fund we have implemented some good measures this year to what we call "tilt" some decisions to the Ontario side. It is the only real purpose of that fund to see that it tilts something away from the United States to Canada, or maintain something here like the pulp and paper industry that otherwise would have some stormy weather ahead of it.

Mr. Laughren: You shouldn't have used public money to get our fair share though.

Hon. F. S. Miller: No, we shouldn't have to. I am the first to say that. My Premier has told the auto parts manufacturers that in my presence. He has also said it publicly. The fact remains, it's a fool's game being pursued by a number of states that force other states—I use "states" in the generic sense—into the same kind of game. It's like so many shooting wars or price wars. Obviously there are winners, but there are a lot more losers than there are winners.

Ontario would do just as well without any incentives being offered on the other side of the border or here, I am totally satisfied. In other words, if one left the choices to the marketplace without trying to influence them we would do just as well. But, sadly, that was not the state of affairs when we decided to get into the Employment Development Fund. While it offends me, as it offends the honourable member—

Mr. Laughren: Because they don't honour the fair share concept.

Hon. F. S. Miller: I am not talking about the auto pact particularly. I am talking in general. I have to live by the way the game is being played right now whilst trying to change the way it's being played right now to what we think it should be.

We have had support for the duty remissions scheme. There has been quite a difference of opinion in some parts on that. I think Volkswagen has been one of the companies to get involved in that. I think some of the Japanese companies are now starting to be involved in it too.

I have talked about the Employment Development Fund assistance to the auto parts industries. As of now, we have provided $4.51 million in grants and $1.5 million in loan guarantees to nine auto parts firms in Ontario. We estimate those grants will create about 2,000 direct jobs and will cause $73 million worth of investment to be made in the industry and would raise our exports by $515 million, in round figures, over the next five years.

Mr. Laughren: What about the tariff reduction in auto parts? Did you dig that out?

Hon. F. S. Miller: I can't answer that. Perhaps later on I can get some specific information. The key thing is the auto parts firms which are getting that assistance are spending, on an average, $16 for every dollar Ontario is providing. That contrasts with the Ford deal which was $20 for every dollar our government provided. That's one step we took in that particular area. The member has asked eight questions, and I am going to have trouble with your eight questions, because I don't have answers in the order they were produced.

Mr. Laughren: That's all right.

Hon. F. S. Miller: You were rattling them off so fast I had some trouble—

Mr. Laughren: I made special allowances for you.

Hon. F. S. Miller: You usually do.

You talked about government procurement policy to some degree. That's the one I am turning to now, government procurement. That was the next page in the notes anyway. Our Ontario policy has been to give a price preference of 10 per cent in respect of Canadian content of goods and services for government purchases. That's been in effect since 1974. In 1976, it was estimated that 99 per cent of the ministry purchases were from Canadian suppliers and the domestic content of those purchases was between 85 and 90 per cent. We tried very hard to make sure the purchases that were secured outside of Canada were confined to things that were not made domestically.

Mr. Laughren: There were exceptions to that.

Hon. F. S. Miller: Certainly, there are some exceptions. The member got on to one specific project in Peel and I think since then you've had an opportunity to talk to the Minister of the Environment (Mr. Parrott) in the question period, so I will skip that one.

We in Ontario, and I think I mentioned this earlier, are going to keep on pushing for a "buy Canadian" policy. That was basically agreed upon at the first ministers' meeting a year ago I think in April. It has been fairly actively promoted by the Ministry of Industry and Tourism in Ontario, and I think it's starting to have its effect.

Mr. Laughren: Have you figured out a way to label chickens yet?

Hon. F. S. Miller: Yes. One of the things I am intrigued about, talking to some Japanese business people, is if one offers a product for sale in Japan which is not made there and it is lower in price and better in quality, they tell me the Japanese buyer still prefers to buy the Japanese product. Would that we could educate our Canadian consumer to do the same. I wouldn't particularly ask them to pay a premium, but I surely would like to increase the awareness of all of us, of the need to keep buying Canadian-made products.

I sometimes get quite upset when specific things come along. I will tell you one of those stories that happened to me, two little stories. One didn't have success and the other did. These days I burn a little bit of wood at home. A number of us are doing that. I can't afford the oil, so I went out to my woodlot and cut down some trees.

Mr. Laughren: The Indians say they know it is going to be a bad winter because the white man is cutting a lot of wood.

Hon. F. S. Miller: In any event, having tried to start my chainsaw, I brought this wood over to the house and had to split it. Having spent a week in hospital after having tried to split it, I bought a wood splitter.

Mr. Laughren: You spent $2,000 to save yourself $100. Some Treasurer!

Hon. F. S. Miller: You know how it is. Have you ever estimated the true cost of burning wood? I saw the economics of it once, between the OHIP payments. I am being a bit facetious. I bought the wood splitter about a year and a half ago because we were splitting quite a bit at that time. One of our company's projects was actually selling it. We discovered we couldn't buy a Canadian-made wood splitter, and I conscientiously went around asking for a Canadian-made wood splitter.

I can't think of a simpler piece of machinery to make. It has got a hydraulic ram and a stationary wedge and an I-beam underneath it, connected by a couple of hoses to whatever hydraulics you have on your tractor or to a small portable gas engine or electrical engine, depending upon the kind you buy.

Not having found one, I asked the Ministry of Industry and Tourism to tell me if there was a Canadian source for such a thing.

Mr. Peterson: You got the whole bureaucracy working on it.

Hon. F. S. Miller: Yes. They responded and said they understood somebody out in BC did make some, but they didn't necessarily market them in eastern Canada. I then wrote to one of the companies in my riding that makes light machinery and said, "Maybe this is something you could build because as the wood industry grows in this province there will be more demand for them."

Mr. Laughren: With two trees being planted for every one cut, there are going to be more trees around too.

Hon. F. S. Miller: That's right. There is going to be a great demand. Those are all going to be straight, true and made into lumber and chips.

The sad part of that story—I am just telling it in anecdotal form—is that I haven't seen anybody take any action to build them. The other one was a little happier, and that gets into government procurement.

Mr. Laughren: Just before you leave that one, the dining room could use them for breaking their rolls as well.

Hon. F. S. Miller: The ones they leave on the table where I sit.

We have got government procurement at the municipal level. Maybe this is a level we need to dwell upon too, because they are spending $4 billion at the municipal and educational levels in this province. At least that is our transfer to them. That means about $8 billion.

We have a little company in my riding that makes garbage packers to go on the back of a large truck and pick up the garbage.

Mr. Peterson: Is that your speech writer you are talking about?

Hon. F. S. Miller: Yes. Once they had the garbage track, I needed a garbage packer who was a speech writer. You can sort that one out in a while.

This company made a frantic phone call about a year ago to say it was tendering on a

Metro Toronto tender. They were low tender but they weren't being accepted because they were new in the business, even though they had an American design, et cetera, that they had purchased the rights to in Canada.

I entered the foray very late. The orders were already issued and nothing could be done, but I was appalled with that. It was a matter of familiarity with the product that made a municipality say, quite properly, "We like what we are buying and we are not willing to risk buying something made in Canada."

I think that is something we have to be prepared to do. I hope you would agree with me that as Canadian firms come on stream in this country and do make products, either of their own design or under purchased rights, people will have the confidence to try them.

The success story is this: this year with a large number of other packers they tendered on another municipality's deal. Again, they were turned down for exactly the same reasons, but this time we heard about it early enough. As the member for the area, I had that corporation called and said, "What's wrong with buying Canadian?" They gave us the old reasons. We said, "Would you even take the time"—the politicians hadn't heard about it—"to talk to the company and listen to their point of view?"

[12:45]

I don't know for sure but I'm told they decided to try half of their order with the Canadian product and half of their order with the old one.

Consciously, we as politicians all have that responsibility in this Legislature when it comes to procurement on behalf of either our own constituents or the greater constituency of the province. It's interesting sometimes how a little thing such as that can tip the balance in favour of a Canadian supplier.

We do the same thing with the employment development fund. When we talk to a company that is getting a grant from us, one of the basic questions is, "Where are you going to source the materials you're buying?" In a number of cases, the Ministry of Industry and Tourism has acted as a broker saying, "Do you know that there's a Canadian supplier for this product?" We have had some degree of success in bringing the supplier and purchaser together.

Mr. Laughren: Except the big ones.

Hon. F. S. Miller: I'm happy to see us succeeding to any degree. It starts to move in the right direction because as your companies get healthier, they become better known, their products are better accepted, people are not nervous about the low tender, et cetera.

I think I've talked enough about the merchandise account. The service account was touched upon. One of the reasons we are worrying considerably about balancing the budget, of course, is that we are concerned about the worsening service account of Canada and we are hoping to prevent us, as a government, from borrowing abroad so we can leave more money at home and, therefore, have less interest to pay to foreign countries.

I think the member made some comments about small business through the process. One of the programs I am delighted to see being acted upon very quickly by people in the member's area and my area is this Tourism Redevelopment Incentive Program.

When I was with the Northern Ontario Tourist Outfitters Association on Wednesday evening in Sault Ste. Marie, I was astounded to find that few of the operators had, as yet, become aware of it. That was quite different from operators in southern Ontario who appeared to be immediately aware of it. I've now concluded it was because the southern Ontario tourism conference occurred very shortly after the annoucement whereas the northern one has just occurred, the Northern Ontario Developement Corporation has just had the chance to explain it to the operators present.

I hope the member would accept that as a very positive move to attempt to help at least one sector of the business community and the small business community with some of the high interest that we're facing today. We expect that the only problem we will face is whether there will be enough money to meet the requirements of the industry as it decides to improve its facilities.

I'm a great believer that the tourism industry is about to turn around in Canada and that we are on the edge of seeing a return to fairly healthy long-term-stay tourism. We all have had the best year in our history in Ontario. One year, however, does not make a trend. The fact remains that the year was healthy before the Americans had their gas problems because reservations were made well in advance and before the spectre of gasoline shortages had reared its head in the United States. So, one can't say that Americans suddenly flocked to Canada once they saw that they couldn't travel at home.

I sincerely believe that the era of foreign travel will start to fade, somewhat, that

we'll see Canada becoming a better and better destination for Europeans, to some degree, but for Americans and Canadians in particular. Our biggest market still remains our own, right here.

I think what tourism needs, of course, is a reinvigoration because in the 20 years I've been in the tourism business, with great dismay I've been seeing old resorts gradually deteriorate, fail to update, stay in the hands of people who stay in the business 10 years past the point where they want to be, or should be—like me—the prime property ends up as subdivisions and is removed from the tourist industry. That's particularly true of those centres that are close enough to our major metropolitan areas. It's not true of northwestern Ontario or northeastern Ontario once you pass North Bay, I would say; but it certainly is true of the sector south of Lake Nipissing. It's been a very real concern to me.

I think we have an absolutely essential task to maintain that industry. It's employing 413,000 people at peak—admittedly not year-round, admittedly not at high wages. But the fact remains it's an essential ingredient in our economy and has to be supported. That program will help that, I think.

The member talked about the role of the public sector in the economic development of Ontario. Again, we would have some philosophical difference with him on the degree of involvement. Nationalization is obviously not the cure for every ill. I think we both moved a bit. We just emphasized that one of the first roles the public sector has in the economic development of Ontario is the one I mentioned earlier when I was talking about jobs—that is, not to expand itself too fast, so that resources are left for the balance of the economy untaxed.

Mr. Laughren: If the public sector creates wealth it is not absorbing it.

Hon. F. S. Miller: Yes. You're not going to get me to disagree with you.

I'm going to be giving very serious thought to the comments the member for Nickel Belt made about mining machinery. I think I have some specific notes on it.

Mr. Peterson: You made them last year.

Hon. F. S. Miller: I may be a little more optimistic than I was. These are the notes my staff gave me. They said that in 1978 the trade deficit on the whole range of machinery was $4 billion in Canada. The interesting thing, though, is that the growth of imports has been less than the growth of exports in the last 10 years.

Mr. Laughren: But the deficit is greater.

Hon. F. S. Miller: Okay. It's the rate of growth we're talking about there, and the fact that Canadian manufacturers are beginning to specialize in export. I've seen evidence of this down in Mississippi, watching them cutting down forests. I was very pleased to see equipment made in North Bay, I think it was.

I'm delighted to see companies like Champion Road Graders, of Goderich competing in a world market, as I understand. I would choose a couple of those companies as evidence that the ability to do it is with us. The question is what range of product can you afford to be involved in and do it well. I think that's the key issue before us, and perhaps to some degree our industries are starting to come to that.

Mr. Laughren: Start in an area where you've got a large domestic demand.

Hon. F. S. Miller: In mining machinery the member for Nickel Belt used a figure that probably was low. The 1978 trade deficit of $616 million for mining machinery was less than the 1976 figure of $646 million. Since 1974, imports have grown at an annual rate of 14.6 per cent; exports have recorded an annual growth of 27 per cent in mining machinery.

The recent trade show in Sudbury we hope should serve to continue to reduce the imports and to encourage rationalization in the mining sector so we can afford to make some of the products here. A lot of the mining machinery that is being imported into Canada is earth-moving and earth-drilling equipment, et cetera, for projects like Syncrude.

Again, digressing from my notes here, I was very happy to see a picture in one trade magazine this week of the largest rear-dump loader ever made in the world. Was it from London? It was made by the GM division. Is it the Euclid division down there? It was a 300-ton unit for the mining industry and, in that case, for export. I quite quickly admit there are many imported components, but the fact remains here is the vital part of the mining industry, on a major scale, being built here and showing the potential for that.

Canadian manufacturers' shipments of mining machinery and equipment, excluding hoists, rose from about $180 million in 1973 to $280 million in 1977. We have certain areas of rock drilling and earth-drilling machinery, et cetera. We hope we will see an improvement.

May I stop at this point?

Mr. Deputy Chairman: It would be a good point.

On motion by Hon. F. S. Miller, the committee of supply reported progress.

ROYAL ASSENT

Mr. Deputy Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

Clerk Assistant: The following are the titles of the bills to which Her Honour has assented:

Bill 122, An Act to provide for the Establishment of Local Services Boards.

Bill 146, An Act to amend the Municipal Franchises Act;

Bill 147, An Act to amend the Local Improvement Act;

Bill 148, An Act to revise the Certification of Titles Act;

Bill 156, An Act to amend the Securities Act, 1978;

Bill 160, An Act to provide for Compulsory Automobile Insurance;

Bill 164, An Act to amend the Assessment Act;

Bill 165, An Act to amend the Corporations Tax Act, 1972;

Bill 172, An Act to amend the Municipality of Metropolitan Toronto Act.

The House adjourned at 12:57 p.m.

APPENDIX

(See page 5025)

ANSWERS TO QUESTIONS ON NOTICE PAPER

ELLIOT LAKE URANIUM MINES

360. Mr. Wildman: Who in the Secretariat for Resources Development has the responsibility for overseeing government programs related to the Elliot Lake expansion? (Tabled November 22, 1979.)

Hon. Mr. Brunelle: During the last two years community expansion in the Elliot Lake area has been monitored on behalf of the cabinet committee on resources development by the deputy ministers' committee on occupational and environmental health as part of its task to co-ordinate provincial representation at the hearings of the Environmental Assessment Board. The deputy ministers' committee is chaired by the Deputy Provincial Secretary for Resources Development and includes the Deputy Ministers of the Environment, Labour, Natural Resources and Health. In assessing the Elliot Lake situation the committee is augmented to include the Deputy Ministers of Housing, Intergovernmental Affairs and Northern Affairs.

The decision of the government with regard to its involvement in the Elliot Lake area is presented in its response to the findings and recommendations of the Environmental Assessment Board regarding community assessment. In that response the Ministry of Northern Affairs is identified as the agency to co-ordinate the preparation of an appropriate course of action for the consideration of the cabinet committee on resources development should problems arise requiring provincial involvement.

361. Mr. Wildman: When will the report be available outlining the amount of money the government will give to Elliot Lake in relation to the uranium mining expansion? Will it be made public? Will there be preliminary estimates? (Tabled November 22, 1979.)

Hon. Mr. Brunelle: A report on the financial impact of expansion in the town of Elliot Lake was commissioned by the town council and prepared by the consulting firm of Giffels Associates Limited. The first report was submitted to council in February, 1979 and updated in May 1979 in the light of further information regarding population growth. The Giffels report gives an estimate of the town's capital requirements for the expansion period and also an estimated flow of income to the town in the form of government grants, taxes and monies from the sale of land and homes.

A copy of the Giffels report is available in the municipal offices.

362. Mr. Wildman: Is the government considering any special funding for the town of Blind River to help them deal with expansion due to the increase in uranium mining in Elliot Lake? (Tabled November 22, 1979).

Hon. Mr. Brunelle: The government has already provided the town of Blind River with special financial assistance to construct a new sewage disposal works. In this regard the Ministry of Northern Affairs contributed $2 million towards the project and the Ministry of the Environment provided technical services for the development, design and construction of the plant at no cost to the town. The new plant has the capacity for 5,150 persons.

It is understood the capital priority now facing the town of Blind River is the need to rehabilitate outdated portions of the sewage collector system. If the collector system was gradually improved it is estimated the town's population could increase from the current 3,200 persons to 4,500 persons by 1984.

In response to a request from the town of Blind River for financial assistance towards the rehabilitation of the sewage collector system, the Ministry of Northern Affairs has encouraged council to have a financial impact study prepared to assess the cost and revenue implications of expansion. The Ministries of Housing and Northern Affairs will each contribute up to $10,000 towards the cost of the study.

363. Mr. Wildman: Is it true that Ontario Hydro must approve expenditures over $100,000 regarding town site development in Elliot Lake? (Tabled November 22, 1979.)

Hon. Mr. Welch: Under the terms of the purchase-sales agreements with the Elliot Lake uranium producers, Ontario Hydro has the right to review in advance any proposed orders and contracts, including those related to housing programs, before they are let. This applies to orders in excess of $100,000 for Denison Mines and those in excess of $200,000 for Preston Mines. The parties are obliged to use their best efforts to resolve any questions that may arise from such reviews. However, the final decisions rests with the mining companies provided that the work involved is within the agreed scope of

the development projects and good business practices have been utilized.

364. Mr. Wildman: Why is Ontario Hydro delaying approval of company advances to the town of Elliot Lake for sewage treatment facilities? When will the decision be made on the proposal to have the mining companies advance monies for sewage treatment to the town of Elliott Lake? (Tabled November 22, 1979.)

Hon. Mr. Welch: The mining companies, Denison Mines and Preston Mines, have advised Ontario Hydro that it will be necessary for them to provide prepayments to the town of Elliot Lake for serviced lots to be developed in the new number two townsite. This will provide part of the cash flow requirements for the development of the necessary services, including sewage treatment facilities.

Ontario Hydro advised the mining companies in October 1979 that it concurred with their proposal to make the prepayments with the understanding that the companies would formalize with the town the terms and conditions pertaining to the advances. These matters are presently being completed.

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No. 124

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Monday, December 3, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, DECEMBER 3, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

CORRECTIONAL SERVICES DISPUTE

Hon. Mr. McCague: Mr. Speaker, in view of the unlawful strike that has now been commenced by employees in correctional and other institutions in this province, I think it important that I review for the members the events that have led to this unlawful action and the efforts the government has made to prevent it.

The members will recall that the question of whether a separate category for salary purposes should be created has been a matter for discussion between the government and the Ontario Public Service Employees Union for some time. Recently the union indicated it would be recommending strike action to its members if government would not accede to the union's demands. Since about November 10, the union has engaged in a concerted effort to procure a strike of the employees to achieve their objectives.

Notwithstanding the government's opposition to the union's proposal, and faced with the obvious concern expressed by the employees with respect to this issue, I offered, on behalf of the government, to submit the matter to final and binding arbitration by an independent third party. I made that commitment on November 28, 1979, in a meeting I had with Mr. Sean O'Flynn and some of his colleagues.

The union took a strike vote among the affected employees on November 29, and the employees voted in favour of a strike.

That same evening, I delivered to Mr. O'Flynn a letter in which I reaffirmed the commitment of the government to resolve the dispute in a peaceful, lawful manner and the commitment of the government to ensure that the law of this province would be obeyed. At the same time, I had delivered to Mr. O'Flynn an agreement, signed by myself on behalf of the government, under which the dispute would be resolved by binding arbitration, and invited the union to sign the agreement or propose modifications to it. I am tabling a copy of the letter to Mr. O'Flynn for the information of the members.

Since my discussion with Mr. O'Flynn on November 28 and his receipt of my letter dated November 29, Mr. O'Flynn has rejected my proposal for resolving the dispute, and he and the union have continued to advocate and counsel unlawful strike action.

In the face of the impending activity on the part of the union, and in view of the obvious public importance of maintaining continuous service in our correctional and other institutions, the government resolved to take every step available by law to prevent the strike, to continue to urge peaceful means of resolving the dispute, and to develop contingency plans to maintain service in the event of unlawful action. Accordingly, on Friday, November 30, the government made application to the Supreme Court of Ontario for an injunction to restrain the union, its officers and representatives from taking action to bring about a strike, and applied to the Ontario Public Service Labour Relations tribunal for a declaration that the strike would be unlawful and for consent to prosecute the union and its officers.

On November 30, the Supreme Court of Ontario granted a temporary injunction until December 5, enjoining the union and its officers from authorizing and supporting strike action. On that date, a further application will be made to extend the injunction indefinitely.

On Saturday, December 1, the tribunal declared that the union had authorized an unlawful strike. The tribunal has fixed Wednesday, December 12 to hear the application for consent to prosecute. I am tabling for the information of the members copies of the injunction and the tribunal's declaration.

In the meantime, I instructed my staff to meet with the union, to pursue with the union the question of seeking a peaceful disposition of the matter and of granting unlawful strike activity. My staff met with the union continuously throughout the weekend, both through a mediator appointed by the tribunal and in direct negotiations, and continued to urge them to agree to a legal method of resolving the dispute and to call

off the strike. Finally, in the early hours of this morning, the union left the negotiations and the strike was commenced at approximately five o'clock this morning.

I have also instructed my staff to remain available on a 24-hour basis to meet further with the union and urge the resolution of the dispute by legitimate means and to end the strike. My colleague the Attorney General (Mr. McMurtry) will be exploring the further legal steps that will be appropriate in order to ensure compliance with the law.

I must stress to the members of this House and to the union the government's abhorrence at the means chosen by the representatives of the public servants of this province to achieve what they apparently perceive as an important objective. Under our system of law, no responsible organization can choose simply to hold the public up to ransom and flout the law if it suits its purpose. Otherwise, any organization could adopt similar means without fear of any sanction and could follow the system prescribed by law only when it suits its purpose.

Hon. Mr. McMurtry: Mr. Speaker, on Wednesday, December 5, senior law officers of the crown will be asking the Supreme Court of Ontario to continue indefinitely the interim injunction granted November 30 and to expand it to cover all employees in the bargaining unit and any other persons having notice of it.

At the same time I will be asking the Supreme Court of Ontario to commit to jail certain individuals named in the interim injunction for contempt of court as a result of what appear to be flagrant breaches of that injunction since its issuance on November 30.

On December 12, the first date made available by the Ontario Public Service Labour Relations Tribunal, the Civil Service Commission will be seeking the necessary consent of the tribunal to institute proceedings pursuant to section 42 of the Crown Employees Collective Bargaining Act for breaches of sections 25 and 29 of that act by all persons named in the interim injunction and all employees in the bargaining unit in respect of whom there are reasonable and probable grounds to support such a prosecution.

The Crown Employees Collective Bargaining Act provides fines of up to $500 per day for any individual who contravenes the act and fines of up to $5,000 per day for the union. A strike at any time is prohibited by section 25 of the act; similarly, counselling, authorizing or supporting a strike is prohibited by section 29. Also, the Public Service Act provides penalties ranging from suspension without pay to dismissal, depending on the nature of the offence.

ORAL QUESTIONS

EQUALIZATION PAYMENTS

Mr. S. Smith: Mr. Speaker, I have a question for the Treasurer. It comes from an article that was in the Toronto Star of Saturday, December 1, 1979. The paragraph in question says, "Meanwhile, Ontario Treasurer Frank Miller says, 'If Ontario doesn't like Ottawa's method of redistributing oil money, the province will declare itself a have-not province and claim $466 million.' "

Since the Treasurer has repeatedly refused our recommendation that he do precisely that, since he and the Premier (Mr. Davis) have both said it would be entirely inappropriate for Ontario to take this equalization money, why has the Treasurer now, just as he did with interest rates, taken one position in the House and another position in front of the press?

Hon. F. S. Miller: Mr. Speaker, I assume the quotation being alluded to, comes from the very lengthy discussion we had Friday morning, during my estimates debates. I have not personally seen the article, but I assume that is the place it came from.

At that time, I was responding to comments from the two critics opposite. I think if one takes a good look at Hansard—

Mrs. Campbell: None on your side.

Hon. F. S. Miller: Well, in fact, on Friday that was about it.

The issue was one of what Ontario would do with oil revenues and equalization payments. I believe it was the Liberal critic who had raised the question in his opening comments in a very sensible way. I explained that the Ontario position—if I can recall the gist of my remarks—had consistently been to try to separate the redistribution of oil revenues from the equalization payments formula. There was no question that the price of oil influenced the amount the federal government had to pay through the equalization formula because of its very nature and construction. However, we pointed out we had asked consistently that be discussed as a separate issue in the interest of the consumers of Canada, not just the Ontario consumers.

I said, looking forward to the future, one would have to start charting courses of action if that success wasn't achieved. If that were the case, if there were not a redistribution of revenues, it might be necessary to try to

make the equalization formula assume a totally different role in the future in Canada. I believe all this will be pretty clearly explained by reading Hansard of Friday morning. I went into it at some length.

Mr. S. Smith: Will the Treasurer clarify for the House whether he will go after the $460-million-odd that we are owed under the present formula, apart from any possible renegotiation of an equalization formula for the future, which renegotiation undoubtedly will be based partly on whether some redistribution of funds occurs? Given the fact it looks as though no massive redistribution of funds is going to occur to Ontario, why doesn't the minister, at the very least for the first year, take the $460 million we are already owed and use it for low- and middle-income Ontario customers to cushion the blow of the higher oil prices for this coming year? Why doesn't he do something that simple?

[2:15]

Hon. F. S. Miller: Once upon a time, I used very simple language trying to explain a complex topic—and it was this one—to the Leader of the Opposition. I won't try to do it again. The issue is this: The formula commits the federal government to make payments, but the formula does not provide the federal government with revenue sources to make those payments. Under its traditional and available tax base, 43 per cent of any federal levy comes from Ontario.

We are going to keep fighting for a redistribution of the revenue taken from the consumers of this province to get it back to the consumers of this province, not to the government of this province. It is the consumers who need it. We do not want it extracted 43 per cent out of our consumers' pockets just to profit the Treasury, much as I would like to balance my budget.

Mr. S. Smith: The Treasurer must surely have heard what I said in the first place, and he must surely realize he is raising a red herring here. Does the Treasurer not agree that if the government of Canada were put in a position where it had to come up with those revenues, it might have some greater motivation to force a redistribution from Alberta, which at present it doesn't wish to do? Even if 43 per cent of it comes from us, it means that 57 per cent doesn't, and we would be the net gainers to that extent.

Rather than use it for the Treasury, let's make very clear that was never the suggestion. I said to use it to cushion the blow to middle-income and lower-income consumers. I made that very plain. If he heard the question—if he was listening instead of listening to advice from his right over there—he would know I said he should cushion the blow for these middle-income and low-income Ontarians who would be suffering because of our failure to prevent Joe Clark from raising the price of oil. Take the equalization money. We are entitled to it. Use it to cushion the blow for low-income Ontarians.

Hon. F. S. Miller: In spite of the allusion to the advice from my right, anybody who has had to deal with me in the caucus knows it is very difficult to give me advice from any point right of me.

I don't think the Leader of the Opposition has understood that the federal government intended to have retroactive legislation. With retroactive legislation still on the cards, there are just no odds in playing games until the decision is taken by Ottawa. Just as with any other retroactive legislation, we can go through all the red tape, all the cost of a bureaucracy, but until that decision is taken as to whether or not they are amending the bill as proposed last fall, it is academic to have this discussion.

REED MEMORANDUM OF UNDERSTANDING

Mr. S. Smith: Mr. Speaker, a question for the Minister of Natural Resources: Would the minister like to clarify for the House just what is the status of the memorandum of understanding with Reed Limited, as has been asked by the member for Port Arthur (Mr. Foulds), by myself and by the member for Rainy River (Mr. T. P. Reid)?

Does the minister agree that, provided an environmental approval is given, Reed Limited and its successor, Great Lakes Forest Products Limited, have been given a licence to cut timber on the 19,000-square-mile area in question, provided, as I have said, environmental approval is given? If he doesn't agree, would he please clarify for this House what his understanding is as opposed to his staff's understanding?

Hon. Mr. Auld: Mr. Speaker, I would be delighted. I was in Thunder Bay last Wednesday and I was interviewed by the Canadian Broadcasting Corporation and others in connection with that memorandum of understanding. I have a copy of it here. I find I was reported there as saying the proposed sale of Reed Paper's Dryden assets did not include that memorandum of understanding.

I also was quoted as saying, I believe, that I understood the purchaser, Great Lakes Forest Products Limited, was looking into the status of the understanding to see if it

was legally part of the sale of the Reed assets to Great Lakes.

To correct that statement, I understand a Great Lakes company official has stated that one of the assets for which Great Lakes is negotiating is that memorandum of understanding.

I want to make it clear that the government has not seen the list of assets for which Great Lakes is negotiating. The subject of negotiations, after all, is a private matter, although anything to do with the memorandum of understanding, if it is acquired by Great Lakes, we will be notified about, because they would want to be sure we felt it might still be valid.

I will be happy to inform this House, when the sale has been completed, if the two parties have agreed that the memorandum be assigned to the assets acquired by Great Lakes. Let me, if I may, because it's germane, relate to the story I saw on the front page of Saturday's 50-cent Toronto Star—I don't normally get it; I get by with the Brockville Recorder and Times on Saturday at home.

Let me just make as a comment about that story that I had been in conversation with Ross Howard, under whose byline it appeared, after him trying to get me and me trying to get him for about two weeks. I would have to say it was really a story or a masterpiece of misunderstanding. What has been confused is the intent of the memorandum of understanding, which is hardly a secret agreement. It was tabled in this House on October 26, 1976, when the then Minister of Natural Resources made a statement about it. It defines a great many things; I won't attempt to read it all, but what I do want to say is that that memorandum of understanding does not sell or lease any tract of crown land to anybody. What it does is set out the conditions that must be met before the company—at that time, Reed Paper—would be issued a timber licence by the government on any part of the 19,000-square-mile area which is referred to in here as annex A.

In our opinion, that memorandum of understanding is assignable. It is assignable without the crown's consent. The acquisition of that memorandum of understanding by Great Lakes Forest Products, if consummated, does not give it the rights to the 19,000-square-mile tract of forest. Any company legally holding that memorandum of understanding would have certain rights and obligations under the agreement. Briefly, as the Leader of the Opposition has said, the company is responsible for obtaining proper environmental approval, undertaking feasibility studies and developing forest management plans according to proper and approved procedures.

On the other hand, the Ministry of Natural Resources is responsible for providing all the basic information regarding the tract. This includes the forest industry and forest stand operational cruise data—which, I may say, is complete—and the water, wildlife, recreational and other resource-based information as well. In addition, the Ministry of Natural Resources must prepare a land-use plan for the area using that information. This land-use plan will outline the land-use decisions that will determine whether an area is to be used for recreation, for trapping, for timber harvesting or whether it is to be used at all in a resource extraction sense, if it is found to be too sensitive to withstand such an impact.

In brief, the memorandum of understanding commits the government and the company to a series of mutually agreed upon steps, in a public—and I repeat, public—planning process that will provide the best economic and social benefits to the area.

Interjections.

Mr. Makarchuk: Having made it crystal clear, you now wish to conclude.

Hon. Mr. Auld: I am sorry there are so many honourable members who aren't interested in this and who obviously haven't read the memorandum of understanding. I am very surprised at the member for Brantford (Mr. Makarchuk), an ex-newspaperman—not dumbfounded but surprised.

The licensing of crown timber in the tract is predicated on the company deeming forest operations are feasible, on the one hand, and their following the processes outlined in the agreement.

Finally, we have not been advised by Reed Limited of any wish to terminate the agreement; nor has there been, to date, any cause for the crown to do so.

Mr. S. Smith: I take it, Mr. Speaker, you would like me to ask a brief supplementary.

Mr. Speaker: I thought it was a pretty comprehensive answer.

Mr. S. Smith: It was indeed. It may not have been comprehensible but it was comprehensive.

There are two major issues in question: whether that tract of land should be developed at all; and whether it should be developed by building a new pulpwood facility, as Reed was originally thinking of doing, or simply allowing Great Lakes to cut part of

that for use in its proposed new mill in Dryden.

Given that it is a possibility they might want to cut some of that forest just to supply the mill in Dryden and not build any new facility, would the minister not agree that the three matters, upon which he says the company's plans are contingent before it could go ahead, really come down to only one—that the plans and the feasibility study are something to be done by the company to please itself—and that the only one the government has any approval power over is the environmental assessment?

Would the minister not agree, therefore, that the only thing standing in the way of Great Lakes being able to cut some of that timber for its Dryden mill is the environmental approval which the government has the final say over? If he does agree, what will he be doing to make sure that approval is not given?

Hon. Mr. Auld: May I read from the memorandum of understanding which perhaps the Leader of the Opposition has not read recently. On page six, clause (b) reads: "In the event that the company satisfactorily performs all its obligations under paragraphs two and four"—which are back at the beginning, where one might expect them—"subject to the Crown Timber Act, agrees to grant to the company a licence in respect to the tract having a period of 21 years commencing from the first day of April following the acceptance by the crown of the management and operating plans"—that includes where the plant goes and all that sort of thing, as I am advised—"and the feasibility report referred to in paragraph four, that will enable the company to cut a sufficient volume of conifers for processing in the manufactories referred to under paragraph three."

Mr. Cassidy: Mr. Speaker, I am astonished by what the minister has to say. There clearly has been a change in government policy from the discussions this minister had with Great Lakes earlier when they asked for 5,000 square miles of the 19,000-square-mile tract to be committed to the Dryden mill and were turned down by the minister.

Can the minister not explain why it is that, over the course of the early summer, a request from Great Lakes was turned down and the minister was therefore actively negotiating for the future of the 19,000 square miles? It was at a time, on the second round, when there were active and intense negotiations over the limitation of Great Lakes's liability for mercury pollution and there were apparently no such discussions over whether or not Great Lakes would take control of the 19,000 square miles.

Why was there such deliberate neglect of this major issue, and why has the government apparently turned a blind eye to the future of the largest single unexploited tract of forest in northwestern Ontario?

[2:30]

Hon. Mr. Auld: Let me repeat what I read in the House a few weeks ago, if I may, Mr. Speaker, from my letter of November 5 to the Great Lakes president and chief executive officer, Mr. Charles Carter, who had written me—and I will read that letter, too, if the member wants—on November 2, the Friday before, about certain things I refer to here. My letter was on the Monday before the Treasurer's (Mr. F. S. Miller) statement. That was hand-delivered and stated:

"I have your letter of November 2 regarding your company's plans and aspirations vis-à-vis Reed Limited. This is indeed an exciting concept which, if carried through, could add substantially to the social and economic improvement of northwestern Ontario.

"As you appreciate from our early discussions, the difference between the projected needs for the facilities mentioned"—and I might interject here we are now talking about the Reed operations in Dryden, the existing kraft mill and the fine paper mill—"totalling 720,000 cunits and the fibre available on presently licensed land"—which may relate perhaps to part of the question the Leader of the Opposition asked a moment ago—"plus anticipated purchases totalling 575,000 cunits, cannot be provided except from the Reed expansion area.

"Several considerations related to the role and mandate of the Ministry of Natural Resources will have to be weighed. One of these relates to both the rights and obligations vested in the memorandum of understanding existing between Reed Limited and my ministry. Although the forest resources inventory and the operations survey have been completed, the land-use plan for the West Patricia area has not been completed and is not scheduled for completion until April 1981. It is on the basis of this plan that land-use conflicts will have to be resolved.

"Another concern is the mandate vested by cabinet in the Fahlgren commission on development north of 50 degrees north latitude. Finally, and by no means of least importance, we would want to consult with the people of the affected areas, including the native people. The environmental con-

cerns I mention only in passing since these lie primarily within the mandate of my colleague, the Minister of the Environment.

"I should be glad to be in touch with you again as soon as we have had an adequate opportunity to examine these various considerations further."

I think that spells out pretty clearly there have been no commitments made to Great Lakes other than the financial commitments indicated by the Treasurer in his statement, of which I have a copy. I will be delighted to read that too.

Mr. Cassidy: I would like to pursue this matter with the Ministry of Natural Resources. I would like to ask him is it then his position now that Great Lakes Paper has first refusal on the 19,000-square-mile West Patricia tract provided it meets the various undertakings and conditions that were contained in that memorandum of understanding or, if not, what is the precise position? Can he give us a brief and succinct answer, rather than leading us all over the map?

Hon. Mr. Auld: I dislike speculating. Almost every time I do, I get myself into difficulties one way or another. Assuming that when Reed completes negotiations with Great Lakes it sells the memorandum of understanding or it is included in the assets, if that memorandum passes into the hands of Great Lakes, then the obligation which Reed had as far as that area is concerned will flow to Great Lakes and Great Lakes will be in exactly the same position as Reed was prior to the sale. That is not to say that that whole 19,000 square miles—let me break my rule and let me speculate that half of the 19,000 square miles is found to be suitable for forest production; then certainly an obligation of the government will be to look at the plans that are put forward after the environmental impact study has indicated the kind of processes proposed for use and the location of them.

It seems to me that one of the obligations of the government will be to deal with that first. I would be surprised if there weren't other woodlands available for others; but again, perhaps there isn't anything available for anybody.

Mr. Cassidy: Supplementary: In view of the enormous public reaction to the government's secret wheeling and dealing, which led to the initial agreement on the West Patricia district with Reed Paper about four years ago, can the minister explain why the government should repeat the process almost precisely all over again, in wheeling and dealing, or in watching while wheeling and dealing was taking place between Reed and Great Lakes Paper, to the point where he now admits that Great Lakes has taken on the obligations and the rights of that memorandum of understanding? Why did the government not step in, in dealing with this particular question, and bring it back to the status quo ante, and why the Fahlgren commission was not even informed over whether Reed Paper, Great Lakes Paper or the ministry now has ultimate responsibility for the future disposition of the 19,000 square mile West Patricia tract?

Hon. Mr. Auld: Mr. Speaker, I'm not aware of any great secret wheeling and dealing that's been going on as far as Reed Paper is concerned for the last couple of years, other than the inquiries which have been received from other people in the business who were interested in acquiring the Reed operation in Dryden.

Certainly there has been no secret that this government was very anxious to see a viable paper industry of one kind or another continue in Dryden. There have been statements made by the Minister of Natural Resources, the Minister of Northern Affairs (Mr. Bernier), the Premier (Mr. Davis), the Treasurer, the Provincial Secretary for Resources Development (Mr. Brunelle) and the Minister of Industry and Tourism (Mr. Grossman) about the necessity, as far as the economy of the northwest is concerned, in seeing that a viable operation be continued in Dryden.

As to the day-to-day inquiries in the business world, I don't suppose they all call the Financial Post whenever they're thinking of an acquisition or a sale. But as far as this government is concerned, it has been available for discussions with anybody in the wood industry who has shown concern.

Mr. Speaker: I think that answer is quite adequate.

Mr. Cassidy: Final supplementary: In order to remove the cloud which hangs over the future of the West Patricia tract, will the government exercise its right to terminate the memorandum of understanding after January 1, 1980, and wipe the slate clean, allow the various hearings of the Fahlgren commission and the forest plan due in April 1981 actually to come to pass, and then deal fairly and forthrightly with the decisions about where that timber should go, preferably by ensuring that the timber in the West Patricia is exploited under public ownership to make sure it goes into those areas where it can be most profitably used to create jobs in northwestern Ontario?

Hon. Mr. Auld: I thought for a minute, Mr. Speaker, I had a half-minute answer. I have here a legal opinion from our solicitor—excuse me, that isn't the right one.

Mr. Breithaupt: Do you have another opinion?

Hon. Mr. Auld: Not the right opinion but I have the right subject. In essence, I am advised that the memorandum of understanding will not terminate on January 1, 1980, because of a number of steps. Reed made the first step required. Under the old legislation, or lack of it, Reed made an environmental impact study within the 60 days required. That study was not acceptable to the Ministry of the Environment which asked for further information. This has not been forthcoming for some other reasons, and the Ministry of Natural Resources has not carried out the inventory expected.

In other words, I am informed at the moment that there is no legal reason for us to terminate that memorandum of understanding as of January 1.

CORRECTIONAL SERVICES DISPUTE

Mr. Cassidy: I have a question for the Chairman, Management Board of Cabinet, relating to the efforts by the ministry to resolve the current strike of the jail guards across the province, and also related to our hope that the ministry would spend as much effort in trying to avoid or to resolve this strike as are the minister and his colleague, the Attorney General (Mr. McMurtry), spending in trying to stamp down on the workers and on the union leaders involved.

In an effort to resolve this dispute and have the jail guards return to their jobs with dignity, would the ministry consider giving a separate vote on ratification of their contract to the jail guards, or would the ministry consider asking Justice Barry Shapiro, the judge who spent a year and a half investigating the Don Jail and who reported last year, to act as an arbitrator to come back within one or two months and report on the specific question as to whether or not there should be a separate category within which the jail guards would bargain?

Hon. Mr. McCague: The matter raised by the honourable member has not been considered. It is one which, having been advanced by the leader of the third party, the people from my ministry and those of union management might want to discuss during their negotiations.

Mr. Cassidy: Supplementary: Could the minister then acquaint the Legislature with what steps the government now intends to take to resolve the strike, apart from the efforts it is making to force the guards back to work and to put their leadership in jail, which are bound to have a harmful effect on labour-management relations within the prison service for a very long time to come? What steps is the minister taking in order to try to find a satisfactory resolution, after having been so inflexible over a period of five years that the guards have felt they have no other choice than to take a vote to strike, and then to act illegally and go on strike?

Hon. Mr. McCague: I think it is very clear in the statement I made today that there has been a lot of discussion, both through a mediator and through the parties themselves over the weekend, to resolve this matter. As I said, we stand ready at any time to discuss again with union management the impasse we are in at the present time.

Mr. Bradley: Supplementary: In his discussions during the weekend, did the minister pursue the idea of attempting to get from the union an undertaking they would not seek within the next four or five years a further category for negotiating purposes, and in that way have some sort of trade-off that could avoid the unfortunate situation that exists at the present time? If he has not, would the minister consider that proposal in his newest negotiations with the union, whenever they commence?

Hon. Mr. McCague: That is a matter that was advanced prior to the discussions on the weekend. On the one hand, there seems to be favour for doing that; on the other hand, there is a good deal of reluctance. It is very doubtful union management or government could commit each other to something they would not do over a five-year period.

Mr. Cassidy: Mr. Speaker, the minister in his statement today urged the union to follow the system prescribed by law with respect to this particular dispute. Could he tell the Legislature just what the system prescribed by law is when it comes to the union's getting a separate bargaining category for the jail guards, since this is the only issue, and it is a simple issue, which is in dispute?

When the union presented two bargaining teams at the negotiations, they were effectively not recognized. The union doesn't have the right to have a separate vote for the jail guards, and it does not have the right to take the matter of a separate bargaining category to arbitration under the Crown Employees Collective Bargaining Act. Given all those facts, will the minister say what is the

system prescribed by law for them to raise this matter, since they have been trying to raise it for five years and have been unable to find any means at all of getting meaningful bargaining or any flexibility from this ministry? That's why we have a strike right now.

[2:45]

Hon. Mr. McCague: Mr. Speaker, I don't understand how the leader of the third party can say that. We very clearly offered to take this matter to a third party for arbitration.

Mr. Cassidy: You took five years to get to that point.

Hon. Mr. McCague: I think that was very fair. That matter is still on the table.

RAPE CRISIS CENTRES

Mr. Stong: Mr. Speaker, I have a question of the Provincial Secretary for Justice. As a result of his meeting last week with representatives of the rape crisis centre, he knows that 12 of the 15 rape crisis centres in the province are in severe danger of closing within the next six months due to a lack of funding. He knows as well that these volunteer centres already receive community funding which just can't meet program expenses. Can he give the reasons why his government still refuses to grant funding to these rape crisis centres?

Hon. Mr. Walker: Mr. Speaker, last week I met with individuals representing the coalition of rape crisis centres across Ontario and at that time we discussed the problems involving funding. They made me aware of the crunch they will have in the new year relative to funding. We agreed to render an answer on it in due course.

At that time, it was the first I had been fully apprised of the details of the matter. They appreciated that and they made their presentation. We will be rendering an observation in due course.

I may say that the amount of money requested amounts to fully one third of the budget of the Justice policy secretariat.

Mr. Stong: Mr. Speaker, I wonder if the minister can indicate what he means by "due course." In arriving at his answer, would he also report to this House whether it is still a policy of St. Joseph's Hospital and the Queensway Hospital in Toronto to refuse medical examinations for rape victims? When checking with his colleague, the Minister of Health (Mr. Timbrell), would he ascertain if there are other hospitals in the province which also refuse to perform examinations as a matter of administrative practice?

Hon. Mr. Walker: In respect of the last two questions, I will look into those, as requested, and consult with the appropriate people. With respect to the matter of funding, we've indicated that an answer will be rendered in time for the conference of the coalition scheduled for January 18, 1980.

Mr. Breaugh: Mr. Speaker, would the minister now give us at least a simple assurance that this government will continue to fund these centres, to see that they do not go out of operation, whether the money comes from his ministry, the Ministry of Health, the Ministry of Community and Social Services, or wherever?

Hon. Mr. Walker. No, Mr. Speaker. That's precisely what we're debating over the next while.

AIRCRAFT CONTRACT

Mr. Laughren: Mr. Speaker, I have a question of the Minister of Industry and Tourism dealing with the federal fighter airplane contract, in view of his very strange response on Friday in which he seemed to reverse his position about what benefits will flow to Ontario.

Has the minister been in touch with Jacques DesRoches, the president of the Air Industries Association of Canada, to find out what he meant when he told the Globe and Mail on the weekend. "From what we have seen, nothing is firm and much of what we are being offered we would be getting anyway"?

I want to tell the minister that Mr. DesRoches told my leader this morning that he's still not satisfied that the commitments are firm, and I would like to ask the minister how he feels about that situation now.

Hon. Mr. Grossman: Mr. Speaker, I can only report again to the House that the federal government has assured us continually and up to date that when the final decision is made, those kinds of commitments that have been talked about and referred to will be firm commitments, of the scale and magnitude we've been discussing.

There really isn't anything to add to that. I would say to the honourable member that he is perhaps being lured in by the heavy advertising campaign that is being conducted by the two competitors, in an attempt by each of those competitors to prove that the commitments and offset offers by their respective opponents don't quite measure up to what they were said to be.

I can only repeat that notwithstanding that intense competition through the media for that important project, we have up-to-

date firm commitments from the federal government that the commitments talked about, offered and understood by us to be there, will in fact be firm commitments.

Mr. Laughren: I wonder if the minister is being sucked in by his federal colleagues.

Could the minister tell us if he got hold of a copy of the confidential document over this past weekend? Does he understand that in that document it's made quite clear Canada will not gain the capability to do the maintenance on those planes, or to apply the technology to other high technology projects in the future? Is the minister really confident that Ontario industries are going to receive adequate benefits of this new technology when these contracts are finally negotiated?

Hon. Mr. Grossman: I don't think anything will be served by my repeating the commitments we've obtained from the federal government. May I say we do not have a copy of the confidential document. We understand it is being held by the federal government in view of the very technical and important nature of some of the defence aspects that are contained in that confidential document.

If the honourable member has a copy of that confidential document he might be kind enough to send it over to me. If he doesn't have a copy of that confidential document—and I know he doesn't—then I presume it's the same source of information that provided his leader with the names of the two foreign competitors for the purchase of Eldorado Nuclear. He knew them so well a month ago but still has failed to send them over to me. I guess it is the same "deep throat" that is sending that information to him.

OPP SERVICES

Mr. G. Taylor: I have a question of the Solicitor General. Last Friday there appeared in the local newspaper in Barrie a statement by Superintendent Burkett of the Ontario Provincial Police detachment. In it he stated he was fighting 1980 crime with a detachment equipped for 1972. He added that the personnel there were overworked and tired, and that he was in need of more OPP officers.

Would the Solicitor General be seeking more personnel for this area so the people of the area, and those visiting the area, could be well served by the Ontario Provincial Police rather than putting up with a 1972 staff quotient?

Hon. Mr. McMurtry: Mr. Speaker, I can't be specific about the OPP services in that part of the province, but I certainly share the superintendent's concern generally in relation to the OPP. As a matter of fact, the member was kind enough a moment ago to send me a copy of the clipping, which I passed on to the Treasurer (Mr. F. S. Miller).

HYDRO NUCLEAR PLANT PLANS

Mr. Riddell: The Minister of Energy (Mr. Welch) was in for a brief moment but in the event he is listening outside I'll put the question to the Premier knowing that he's always interested in Ontario Hydro's plans and progress.

I am referring to a letter written by Landawn Shopping Centres Limited located in Toronto. One paragraph of the letter reads: "I am sure you are aware that the Ontario government will soon be starting construction on the Bayfield nuclear power plant which is located 15 miles from Exeter. The Bruce nuclear plant helped spur housing in both Port Elgin and Kincardine to unbelievable proportions—to the point that Zehr's put supermarkets in both Port Elgin and Kincardine. Both stores are doing exceptionally well. The Bruce nuclear plant employs 8,000 people, and the Bayfield plant will have approximately the same number of people.

"The population of Exeter is approximately 4,000 people with"—

Mr. Speaker: "Is the Premier aware . . ."

Mr. Riddell: I put the question at first. Is the Ontario government, along with Ontario Hydro, planning a project we in this Legislature or the citizens of Huron are not aware of? Is there some plan to establish a nuclear power plant in Bayfield in Huron county?

Hon. Mr. Davis: Mr. Speaker, my recollection is that the major undertaking Hydro has underway is Darlington. Bayfield is a delightful community, and I know the honourable member would like to see some growth take place, but to my knowledge it is not being contemplated. I don't know who wrote that letter, or to whom they wrote it, but to suggest there will be the same sort of growth pattern in that part of the great county of Huron that took place in other parts on the shores of Lake Huron, I think from my understanding would be totally inaccurate.

If the honourable member wants to convey that to the person who wrote the letter I think he is quite free to do so. If he wants to bring them in, as he did some others from Kincardine, to see the economic growth continue in that part of the province, we would be delighted to see them too.

Mr. MacDonald: Mr. Speaker, is the Premier in a position to confirm the energy statement made by his new minister on October 1, that the government is not contemplating any new nuclear generating facilities beyond Darlington in the next 15-year period?

Hon. Mr. Davis: Mr. Speaker, I don't think I can put the time frame at 15 years, but my recollection is, and the chairman of the select committee is more familiar with the figures than I am, I don't think they are contemplating another facility beyond Darlington at this moment. In that Darlington is six to seven years away from completion, which brings us up to 1987 or 1990, then we only have a five-year period to bring us up to 15 years; but I am not really prepared to speculate at this moment in time.

Mr. J. Reed: Supplementary: Considering the Premier obviously does not really know the plans at this moment, since his answers are quite vague on this question, would the Premier undertake to make a statement to the House regarding the future growth plans of Ontario Hydro in a clear, concise manner, so we know exactly what is being planned?

Hon. Mr. Davis: Mr. Speaker, I would say to the member for Halton-Burlington that he is on the Hydro select committee, he has been very close to it and he tells his constituents he is the energy expert of Ontario; he probably could make as clear and concise a statement as I could. It wouldn't be as accurate as any I might make, I doubt how clear it would be, and certainly if it is anything like the rest of the honourable member's observations it would never be concise. I thought I was very precise in my answer to his colleague from Huron-Middlesex. I don't know of any planned facility in Bayfield.

AUTO INDUSTRY LAYOFFS

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Industry and Tourism. The minister will no doubt be aware that in addition to the 2,000 people already unemployed on indefinite layoffs at Chrysler, there was a further announcement on Friday of an additional 800 to 1,000 employees who will be on indefinite layoff, along with several thousand other people on temporary layoffs. The minister will no doubt be aware that there are already 1,500 people on layoff at Ford Motor Company in Windsor, as well as many thousands from the parts industries in Windsor.

What is the minister now prepared to do for the people of Windsor, who are experiencing an unemployment rate of around 12 per cent for those who are on indefinite layoffs, and if one includes those on temporary we are talking about 17 or 18 per cent unemployment? What is the minister prepared to do, and is he prepared today to come out publicly and put pressure on the federal government to bring in the transitional assistance benefits for which the United Auto Workers have been asking?

Hon. Mr. Grossman: The TAB program is one which does lie with the federal government, and ultimately the views of this government with regard to that program would obviously be expressed through the Minister of Labour (Mr. Elgie), to whom the member may want to address a question on that count.

My responsibilities, of course, are in terms of the long-term stability of the automotive industry in Windsor and the rest of Ontario. I would be quite happy to talk about that here, as I did in estimates by way of pointing out if it wasn't for some of the efforts of this government in the last couple of years in that municipality we wouldn't be seeing the addition of 5,200 jobs, at least, coming on stream in the next couple of years because of the Ford plant. Our continuing efforts have also resulted, in part, in the General Motors expansion which is going on in that city. While we always find it quite easy to talk about the fact we haven't done as well under the auto pact as we might, the fact is we have two instances of companies, that is GM and Ford, putting great amounts of money into Windsor, which will make sure the short-term difficulties that are currently being experienced in Windsor—and they are short-term difficulties—do not become long-term difficulties in that community.

[3:00]

I think we should understand, as I believe the UAW does in Windsor, that the situation we are seeing now is not as severe in terms of percentage layoffs as is being experienced in the United States. That is quite remarkable in view of the fact our Canadian plants generally make larger, less fuel-efficient vehicles than are currently being made in the United States. Notwithstanding that, the layoffs here in percentage terms are not as severe as those being incurred in the United States.

All that having been said, I want to point out to the member that two of the Big Three have recently invested a lot of money in that community. The third is Chrysler, and we have talks going on there now. I have made it quite clear that as far as this government is concerned any assistance given to Chrysler, in any way whatsoever, will have to ensure

long-term stability for current jobs and some new jobs in Windsor as well.

All in all, I think we have been spending a good deal of time on the problems in Windsor, in view of North American problems in terms of the sale of automobiles in this period of time.

Mr. Cooke: Supplementary: The minister talks about the 2,800 jobs at Ford: is he aware that Ford has laid off almost that number of employees at its existing plant and that we are expecting that its engine plant could very well be put out of production because it produces the wrong kinds of parts and the wrong kinds of engines? The government put $28 million into a new plant that will really not create new jobs, it will just save some of the jobs that are disappearing because of the poor planning and the way the auto pact is not working in this province.

Mr. Speaker: The question has been asked.

Mr. Cooke: I have a short supplementary in addition to that, Mr. Speaker.

Mr. Speaker: Do you mean a supplementary to the supplementary?

Mr. Cooke: That's right. I would just like the minister to indicate today if he is still willing to look at a job-creation program for Windsor, as he said he was in a letter to me recently? Is he also willing to go public with the federal government or his Minister of Labour (Mr. Elgie) to get the TAB program in place before it is too late?

Mr. Speaker: You asked that in your original question.

Mr. Cooke: People are losing their homes now.

Mr. Speaker: Does the honourable minister have a short response?

Hon. Mr. Grossman: I should remind the member we understand the extent of the Ford layoffs. The member should be fair and acknowledge this government cannot control the North American demand for automobiles, no matter where they are made. The fall in the market has been marked and has been constant throughout North America, particularly for vehicles made in this country.

The fact is the market is causing the layoffs, not this government, not the American government and not the unions, none of those. The consumer is shifting his and her buying patterns and buying fewer of those vehicles. That is what is causing the problem in the member's community. I want to make it clear to him that of course we understand the extent of the Ford layoffs; and no, I will not apologize in any way whatsoever for the fact that Ford is laying off people in response to the market at the same time as we are creating new jobs. The fact is no matter which way the member wishes to slice it, if it weren't for this government there wouldn't be 5,200 new jobs going into Windsor in the next few years. Those jobs would be lost; they would not be replaced. I hope the member will tell the UAW, when he takes a copy of Hansard back to them to show them his alleged concern for their critical problems, that if we had adopted his party's policy we would see 2,600 net layoffs, but we wouldn't see 5,200 new jobs going back into that community solely and totally on account of this government.

Mr. Mancini: I have a supplementary for the Minister of Industry and Tourism. Could the minister inform the House if he has had discussions with other industries outside of the automotive industry that may be planning to go to Windsor so that the industrial base of Windsor and Essex county wouldn't be so heavily dependent on the automotive industry? I give as a possible example the tomato paste industry.

Hon. Mr. Grossman: Yes.

Mr. Mancini: Is that all the minister is going to say?

Hon. Mr. Grossman: Yes.

Mr. Mancini: Why doesn't the minister inform the House who he has met with and what—

Hon. Mr. Grossman: Forgive me for saying yes, but we have done it. I know it's disappointing.

Mr. Mancini: It's not disappointing; we'd just like to know who the minister has talked to and what their response has been.

RENFREW COUNTY TASK FORCE ON ECONOMIC DEVELOPMENT

Mr. Conway: A new question to the same minister: Having in hand the minister's long-awaited announcement about the appointment of a new chairman for the Renfrew County Task Force on Economic Development, and recognizing that much time has passed since that particular task force undertook serious and ongoing responsibilities to generate economic activities in my part of eastern Ontario, I am wondering whether or not the minister has called together the new chairman, Mr. Radford, with other members of that task force to make them aware of his own views and those of his government at present with respect to those immediate and intermediate priorities which he and this government see as viable for that particular task force and its responsibilities?

Hon. Mr. Grossman: We will be meeting in the next couple of weeks.

Mr. Conway: Supplementary: Can the minister, in his supplementary answer, indicate to this House what his views are at this point in time about the kinds of priorities he sees as being the immediate possibility with respect to economic development in that particular county? Can he explain to me and other members of this House, why in his announcements he indicated to the people of Renfrew county that of course their development strategy will take many years to be fully implemented since provincial restraint will not allow for the kind of financial resources we believe necessary to get the job done? Can he give this House and the people of Renfrew county—

Mr. Speaker: The question has really been asked.

Mr. Conway: —an assurance that we will not suffer unduly by virtue of his restraints?

Hon. Mr. Grossman: The answer to the second question is yes, I can give that unequivocal assurance. That is not the tenor, the drift, the tone, insinuation or implication in the press release we issued. To be fair about it, I think the honourable member knows that isn't the message that was in that press release.

Mr. Radford will be coming in to discuss with us in a general way the kinds of assistance we wish to make available; the extent to which government programs will be tilted in terms of assisting areas such as Renfrew. Indeed, government programs traditionally have been and will continue to be tilted in favour of helping communities such as those in the Ottawa Valley, be they in the tourism sector, that is Timbertown, or in the industrial sector, for example the Westinghouse situation, which I know the honourable member supported even though it was an EDF grant. I know he supported it because it was so important to the Ottawa Valley area.

We will be discussing those kinds of things with Mr. Radford. I want to say that Mr. Radford, as the member knows, has been with the ministry for many years and is well aware of a lot of the programs we have under way and a lot of our strategies. What I don't want to do is prejudge the outcome of his work, because our strategy is to get local input to decide which kinds of industries are most appropriate for each and every community, which kind will most easily fit into the social and economic climate of each country, which community and which work force can accept which kind of industry, and then operate from that very sensible and measured base. That is what it is all about; I think the member would agree that's a sensible way to approach it.

CORRECTIONAL SERVICES DISPUTE

Mr. Van Horne: Mr. Speaker, I have a point of privilege. On November 29 the Minister of Correctional Services, in response to a question from the member for Brant-Oxford-Norfolk (Mr. Nixon), indicated in so far as the question of problem prisoners being released on an open door policy: "That is not the case, that is just not happening. If it is I would ensure it would stop immediately, but I give the member the assurance it is not happening and that it is not the case."

I have just been informed that a significant number of people were released from the Elgin-Middlesex Detention Centre. I ask, in light of that information being passed on, if in fact our privileges were not abused by the answer given by the minister last Thursday?

Mr. Speaker: The minister is not here.

There is one minute left in question period.

ALGOMA CHILDREN'S AID SOCIETY

Mr. Wildman: I have a question for the Minister of Community and Social Services. In view of the fact that the apparent inability of the Algoma Children's Aid Society to fulfil its obligations under the Child Welfare Act has prompted the minister to admit publicly that he cannot guarantee that children there are not at risk; and the foster parents association of Ontario to write him stating that case management appears minimal or non-existent, indeed that children in need are being placed in observation and detention homes normally used for cases of child delinquency; is the minister prepared to exercise his power under section 17 of the act to dissolve the children's aid society's board of directors, taking direct control to negotiate a resolution of the current labour dispute?

Hon. Mr. Norton: Dealing with the first part of the preamble to the question, I believe I recall quite vividly the discussion which might have led to the quote to which the honourable member referred. I did not specifically refer to the situation in Algoma, but I did say to the newspaper reporter from Sault Ste. Marie at that time that at no time could I absolutely guarantee, whether a children's aid society was fully staffed or suffering from a withdrawal of service as

a result of a labour dispute, that no child would be at risk. I did assure that person, however, that we were doing everything, in co-operation with the society, to try to ensure that the degree of risk to which any child might be subjected would be minimized during this period.

The answer to the second part, the real question—am I prepared to exercise the authority under the act and dissolve the board and negotiate directly?—is no.

PETITION

WASTE SOLVENTS STORAGE

Mr. Swart: Mr. Speaker, I have a petition, addressed to this assembly and signed by 3,503 citizens of the city of Welland. It reads as follows.

"We, the undersigned, beg leave to respectfully petition the Legislative Assembly of the province of Ontario as follows: We strongly object to permission being given by the Minister of the Environment to use the oil tank located adjacent to the old Welland Canal, south of Lincoln Street in the city of Welland, as a storage and transfer station for waste solvents."

Although the company has now stated it will not proceed due to public opposition, until the permit is surrendered there is no guarantee that it will not proceed.

REPORT

STANDING PROCEDURAL AFFAIRS COMMITTEE

Mr. Breaugh from the standing procedural affairs committee presented the committee's second report on agencies, boards and commissions and moved its adoption.

Mr. Breaugh: Mr. Speaker, if I might say a few words on this report. It is the second report on agencies, boards and commissions, examination of which has been carried on by the committee. It looks at some six specific agencies of the government and deals in general terms with recommendations put forward by the committee in last year's report. We would hope the House would now entertain some debate on that.

On motion by Mr. Breaugh, the debate was adjourned.

INTRODUCTION OF BILL

TOWN OF COBOURG ACT

Mr. Rowe moved first reading of Bill Pr33, An Act respecting the Town of Cobourg.

Motion agreed to.

ANSWER TO QUESTION ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before the orders of the day I wish to table the answer to question 357 standing on the Notice Paper. (See appendix, page 5090.)

[3:15]

ORDERS OF THE DAY

House in committee of supply:

ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS

(continued)

Mr. Deputy Chairman: I believe, Mr. Treasurer, that when we adjourned the consideration of the estimates, you were on your feet.

Hon. F. S. Miller: Yes, Mr. Chairman, I was. While I had many more words of wisdom to add to the comments on Friday, I would now like simply to proceed with the first vote and start taking the comments from the opposition, as agreed.

Mr. Peterson: In view of the fact there were no words of wisdom on Friday that I personally recall, or that any others among the great horde of observers who were in this House at the time heard, I would just like to question the Treasurer on that. Further, I also was under the impression the votes would be left to the end, am I not correct?

Hon. F. S. Miller: You are quite correct. I think what the chairman asked the other day is that we consider the first vote and item, that we discuss anything of concern under that vote and item until such time as we must deal with the stacked votes. In other words, for the record, we are on the first vote and item but the discussion, as you agreed, was to be on any part of any vote or item.

Mr. Deputy Chairman: That is pretty well what I said, but also I wanted to point out that we do have rules. The Treasurer and the two financial critics on their own are not in a position to change those rules. The rules do call for us to make progress and to allow other people to speak on these votes.

What I did say is that under main office you can pretty well speak on any vote, but if there are any other members wanting to speak I don't want to limit their right to do so on any matter they wish to raise under main office. As long as that is understood I think we can proceed.

We will deal with vote 901, item 1, which is main office. Anyone having any questions

of the Treasurer in regard to the operation of the main office is now free to put those questions.

On vote 901, ministry administration program; item 1, main office:

Mr. Peterson: While my friend from Nickel Belt is finding his papers and trying to think of something semi-intelligent to say, let me just ask a couple of questions; again I am taking some latitude here.

Could you tell me the status of the Ontario Economic Council? I am not sure if the economic council was a creation of the former Treasurer or not. Certainly he had expressed publicly, not only while he was Treasurer but also after the fact, that he had some very serious reservations about the role of the economic council, even though he appointed one of his very close personal advisers to be chairman. I believe Tom Kierans was appointed by the former Treasurer, was he not?

Hon. F. S. Miller: No.

Mr. Peterson: Then I stand corrected on that.

Hon. F. S. Miller: As I recall, Mr. Reuber was chairman in name when I became Treasurer, but he had given notice that he was going to the Bank of Montreal. I recall one of my first visits was from Mr. Douglas Gibson, a long-standing member of the economic council, who asked me not to leave it in limbo too long. I am guessing, but somewhere around December, maybe even later, of last year, Mr. Kierans was appointed on an acting, part-time basis to be chairman of the council. I am not quite sure of the date, but it followed my appointment as Treasurer, if my recollection is correct, and it was extended later. My deputy confirms that.

Mr. Peterson: I think you are correct and I am incorrect. I apologize on that.

He was appointed acting director. Is he still acting director, or what is his status? What are his obligations and what is he getting paid?

Hon. F. S. Miller: I am going by recollection and will have to check, but the first was six months and then I believe he was appointed for a year at the expiration of the first six months. He has been spending as much time as any director has spent, I am told, working hard at the definition of role and the management of the economic council.

May I suggest, since I have shared some of the concerns the previous Treasurer had, that I sincerely would appreciate comments setting out the member's point of view right now as to his perception of the role of this economic council. The budget for it is in the range of $1 million to $1.1 million a year. It is a fair amount of the discretionary moneys we have available. I would be very curious to know whether the member thinks it's worth that as it is presently constructed and functioning, or whether it needs redesign or in his opinion needs to be done away with.

Mr. Peterson: There are a few specific questions I'd like to get out of the way before I do that. What are the director's responsibilities as the minister sees them? What kind of liaison does the minister have with him as the director? How much time does he put into it and what does the government pay him?

Hon. F. S. Miller: I missed the last point?

Mr. Peterson: How much is he paid?

Hon. F. S. Miller: I would have to double-check the figure he's paid. It's $2,000 a month, I'm told.

Mr. Peterson: How many days a week does he work?

Hon. F. S. Miller: I can't answer that question. I did see a letter from him proposing a reduction in his salary for this coming fiscal year from $2,000 a month to $1,000.

Mr. Peterson: What have you done with that?

Hon. F. S. Miller: I happen to be reviewing all my personnel spending for next year. Mostly certainly a suggestion like that, let me say, is unique; I haven't had many people offering to take a cut in salary lately. By the way, his appointment expires on December 19.

I know there are a number of other board members whose terms are up shortly. The most recent correspondence from the chairman outlined the names of those whose terms were up and requested we consider their reappointment and/or replacement, depending upon the person's own point of view.

The request the chairman made was to reshuffle the $12,000 from his own personal salary to members who would be taking on greater loads within the economic council so that he could more fairly give them duties.

Mr. Peterson: I understand the other members are not paid; only the chairman is paid, plus two or three staff members.

Hon. F. S. Miller: Yes.

Mr. Peterson: By and large that's a conglomeration, with a couple of notable exceptions, of Tory hacks from across the province.

Hon. F. S. Miller: There are a couple of notable exceptions.

Mr. Peterson: Cliff Pilkey.

Hon. F. S. Miller: I was going to say Mr. Pilkey at least should be identified for the sake of the record, lest he suddenly have a heart attack.

Mr. Peterson: He knows who is buying lunch too, though. He's fairly sophisticated that way.

Let me talk a little bit about it. I was aware when Mr. Kierans was appointed—I happen to know Mr. Kierans and I must say at the outset I have an extremely high regard for the man. He has been one of the major players on Bay Street. He's worked in two or three brokerage firms, always in key roles. As you know, he has changed brokerage firms this last year and is with McLeod's in a very important role. I don't question his competence at all.

I think the minister has a very serious problem on his hands though. I'm almost hesitant to say this because I do have a high regard for the guy, but he was, and it is public knowledge, a very close adviser to the former Treasurer and a very close friend. Unless the minister tells me differently, I am also aware of the fact he has come to a number of Progressive Conservative Party planning seminars; I'm not sure about ministry seminars.

He has had a major role, I gather from what I read in the press or as I recall at least, in advising on when the minister could balance the budget. There has been a great 1984 versus 1981 controversy. I don't know what the minister's relationship with him is, but he has been very close to the party. He's also extremely close to the federal Tories. He was pointed out in a Weekend magazine article recently as a major player, a man of influence with the federal Tories.

I think you really want to ask yourself whether this man should be paid $25,000 a year, $2,000 a month. Certainly when it came out in the press when he was originally appointed that he would be getting $25,000, I was curious, and no one to whom we talked would confirm or deny that at the time. I just accepted that at face value and you have virtually confirmed that.

He obviously does a lot of other things. Two thousand dollars a month may not sound like a lot of money for a full-time job for an obviously very competent human being, but when it comes down to one or two days a week that stacks up to be quite a bit of money, particularly in view of the fact he is very close to advising you.

It is something on which I would like to hear your views; whether in fact this is the appropriate way to run a so-called independent economic council. Granted these things have been bastardized at many levels of political functioning over the years. It's not as if the chairman of the Ontario Economic Council has always been represented as a true independent. I think Grant Reuber, when he was there, gave the appearance at least of being semi-independent. That, of course, was before he went to the Bank of Montreal, and now has become Deputy Minister of Finance.

The fundamental question is how you view their role and what they should be doing. Do you have any input into their research, what they are doing and how they go about it?

I am interested in hearing your view before I start into my own.

Hon. F. S. Miller: In terms of the kind of person you appoint and the remuneration for the job, first let us compare it with other people in the same kind of category. I am told in the first few months of his appointment he virtually worked full time at the position, particularly as he was looking at the projects and reorganizing it in his mind. I can't speak with much accuracy about the result of those actions, but if one looks at the rate of pay one pays for people of his calibre, like lawyers who are hired by select committees, lawyers who are hired to look into the police commission's functions, et cetera, I think you would agree one often sees the fees running between $500 and $1,000 a day.

If, in fact, a lawyer appointed to such a position is worth $750 a day of public money, or even private money because they charge the same regardless of who the client is, I would have to argue we're talking of a person who brings to the position skills of comparable value.

When one looks at the fact he is from the private sector—

Mr. Peterson: It's a little different role.

Hon. F. S. Miller: Yes, I recognize that.

Mr. Peterson: He is an administrator here. He is not hired for professional expertise here, he is an administrator.

Hon. F. S. Miller: Hopefully, though, he is more than an administrator. He is like a director of research; while he is administrator he often is also the catalyst, the person who looks at the quality of the input of the researchers. A top director of research has to be an administrator, obviously, but also has to be knowledgeable in the skills of the people working under him.

This is where anyone who has ever had anything to do with Mr. Kierans would have to repeat the very words you used, whether one agrees with his philosophy or disagrees with his philosophy you would have to agree

he is also a very bright, competent, hard-working, easy-to-understand person when he starts expressing his points of view. Those qualities are hard to come by in any field, and are perhaps more valued because of that. Persons who can clearly say what they think often win the battle simply because their opponents often can't say so clearly what they think. Therefore I would suggest we're getting value for the money.

[3:30]

As to the question of what input I have as the Treasurer, I think if one checks the statutes, the chairman is not really an appointment of the Treasurer but of the Lieutenant Governor in Council. Outside of my being able to give some advice, unlike some appointments it is not, therefore, exclusively in the domain of the Treasurer.

The autonomy of the council has been almost complete, if not complete. In other words, no one comes to me and says, "We are intending to study such and such and so and so."

I can assure the member that when I was Minister of Health a report was issued on the health-care system by the Ontario Economic Council, that would be about the summer of 1975, and—

Mr. Laughren: There was another one this year.

Hon. F. S. Miller: Yes, there was. I only point out that those reports are the views of the researchers. As with all researchers, one can argue whether they are right or wrong. If you like it, you think they're great; if you disagree with them, you think they're wrong. The fact is the council has that kind of autonomy.

I would suspect the choice of topics has been very much that of the chairman and the committee appointed. Within that appointed committee there is an executive committee of some type. The executive committee probably functions more frequently and looks into more detail at the kinds of research being contracted for. If one looks at the budget, I believe a great chunk of the budget is for research contracted with non-permanent staff or with members of the research community.

The alternative to turning to the business sector, and the one which I believe was followed in the first appointments to the board, has been to go to the academic side and look for people such as Mr. Reuber, who was at the University of Western Ontario when he was chosen. I sense that people who have been chosen for other jobs have come from that general area. Certainly that was the first area to which one thought we should look when Mr. Reuber left a year ago.

I think every so often it's a refreshing change to have somebody from the business community in that kind of job. Most often their duties prevent them from taking on these duties. In this case we've had great co-operation from Mr. Kierans. He has often, in the last few years, almost prejudiced his private interests to be able to offer advice to governments at both levels, as the member has pointed out.

Mr. Peterson: Do his strong, upfront party affiliations worry you?

Hon. F. S. Miller: I think I subscribe to the comments made by Bill Simon in his book, A Time for Truth, where he said one of the greatest mistakes governments can make is subsidizing the opponents of government rather than people who often agree with their points of view.

Mr. Peterson: You sound like Roch LaSalle. He's the new patronage minister for the federal government.

Hon. F. S. Miller: I don't mean it quite the way you interpret it.

Mr. Peterson: Then reinterpret it for me.

Hon. F. S. Miller: I see the role of a politician in government, apart from some administrative skill—which is probably not that great on the political side, people like my deputy have the real skills when it comes to administration—the real duty I have as a minister, whether it be in Health, Natural Resources or in Treasury, I see as being able to differentiate myself from the member for London Centre or the member for Nickel Belt (Mr. Laughren) in terms of our basic beliefs, our philosophical, political and ideological differences. We've gone into this before.

Any time we apologize for our ideological beliefs we're letting the very system we're a part of down; therefore I unashamedly stand up and say, as I hope the member does, I'm a capitalist, I believe in the free enterprise system and I'm going to do my damedest to strengthen it whilst I'm around. It's been weakened greatly by listening to people from the benches the NDP have occupied over the years, until we have a very hybrid mix going these days; but that's our fault for being swayed too often by their logic. I do believe, however, that if it's my duty to see my kind of philosophy imposed upon a government, then I need advice that to some degree corresponds with my philosophy; therefore I don't see anything inconsistent in having people who are giving me advice, share some common belief with me, and they are most

likely to be found within the party I associate with.

Mr. Peterson: Does the minister ask his staff to take out a membership in the Progressive Conservative Party?

Hon. F. S. Miller: Members of my staff are free to do what they want.

Mr. Peterson: Except they won't last in the job very long if they're not card carriers, is that what the minister is telling me? All these people are going to feel very insecure. They're going to start rushing out right now and taking memberships in the Liberal Party.

I won't enter into a philosophical debate about that at the moment. Let me just go back to Mr. Kierans and say that the Ontario Economic Council is supposed to be in a very special kind of situation. It is unique; it's not like your deputy or some of these other people who are functioning very close to you on a daily basis. He is supposed to come up with independent criticism, independent research on the state of the provincial economy and how to do various things. You run the risk of having him become an apologist for you if you carry the attitude you have just articulated into that job.

I won't run along with this any further, but I'm not terribly satisfied with the explanation you have given. Perhaps my friend has something.

Hon. F. S. Miller: May I ask your opinion of the function and role of the council and the necessity for it?

Mr. Peterson: Yes. Mr. McKeough made the statement once, I think publicly and if not, privately, that he had never seen anything of very much value out of the Ontario Economic Council. At least, and perhaps I'm misquoting, he asked, "What have they ever suggested that we followed?" I guess he found them a mite fanciful or a mite out in left field or something or other.

I think there is a role for the economic council. I'm not particularly happy with the membership. I don't want to be specific about it, but it's a sinecure for some people I happen to know who haven't demonstrated all that much except that they were card-carriers. We always go with the tokens, the Cliff Pilkeys of this world, and stick them on there so we can say, "Gee, we're a broadly-based group"; and Cliff happily accepts that kind of thing.

I would say that generally the membership is not representative of the kind of group it should be, in my judgement, for the kind of independent input into the thought-making process.

The question then becomes, "Okay, what is the role after that board has been established; what they should be doing?" I see a more activist role for that board than they have shown. I think they could be of more help, particularly in the committee process here. Let me give you an example.

The economic council should, as part of their contract, make some of their research and researchers available to select committees functioning on certain matters. Let's take the Hydro matter. They've done certain demographic studies that could have been helpful to the select committee investigating Hydro affairs. Obviously when you're working with demographers, as when working with actuaries or any other forecasters in any other area, there are a great number of subjective judgements being made. One hopes that the government, or the legislators, will get the benefit of advice from the best, throw it all into the pot and come up with their own conclusions. That is one area where, presumably, if it functions as an independent agency, the council could be of some help in the legislative process. I just pass that on to the minister. He may want to suggest to the council it is an area in which they could be of some use in the legislative process.

I think one of the things that worries me about the economic council is that so much of its effort is just shelved. There is some good research. I looked particularly at some of the research in the pension areas, and I am happy with it. I look at some of the conferences it has run, and I am only sorry they weren't better attended. The council has held some great regional conferences; and it holds a very interesting conference here once a year which I am very happy to attend. I learn a lot because world-class minds attend.

Sometimes one wonders what is the purpose of all this, because one has the same people attending all the time, the same interested people. But it is a fairly small group of people and there is the same feeling about the research, that it will go out to the university libraries and it will slip into the shelves there. The few members interested in one part or another will read it but that is it.

There is not the feeling they are elevating the general level of education in the province or contributing in that sense very much to the policy-making process.

I don't know whether your staff people read those reports, perhaps they do. I have never seen a government response to one of those papers. Perhaps they should be forced to respond. At least we will get the civil

service or the decision-makers thinking and give them something to play off against.

I worry that it is just filed, that there isn't enough done with it and there isn't very much influence from it. Maybe I am misreading it. If the minister has a different view I would be interested in knowing. I am one who believes that a free society needs independent centres of criticism and research, must constantly be reassessing what it is doing and needs to be constantly pushed and challenged in order to move ahead and make progress.

Referring to the OEC, there are some areas it has chosen for research which I wouldn't have chosen. On the other hand I think that some of the research it has done is excellent. Those are individual choices, I suppose, and anyone can second-guess some of the topics chosen.

Generally I like it and I think it is worthwhile. Those are a few simple suggestions on how it could make some of its work more relevant and more meaningful, not only to the government but also to the population which supports it and pays its bills.

Hon. F. S. Miller: The reports the honourable member does see are those of hired researchers. They are not necessarily even the views of the council itself, as he knows; such as the one we saw on the question of co-payment or partial payment deterrent fees, if you want to call it that, in the health side.

Do we read them? Of course we do. For example I went through that one quite carefully. I even had a meeting with a member of the council to discuss it—

Mr. Laughren: Who was probably opposed to it.

Hon. F. S. Miller: Yes, as a matter of fact he was.

Mr. Laughren: We are reinforcing each other's views; that's great.

Hon. F. S. Miller: I didn't say that I was. At one time, I happened to be one of the greatest believers in deterrent fees. It was only about 1976, late in the year, that I was converted.

The researchers obviously would have been available to assist committees; however, I think it should be pointed out that those researchers, being contract people, traditionally have been paid for the function of producing reports and therefore probably would be charging a committee for their advice.

Mr. Peterson: Tell them that is part of their obligation.

Hon. F. S. Miller: Well I don't think we would get a fellow at the University of Toronto necessarily buying that kind of argument. They are in the business of providing and selling their expertise like anybody else. One of the things I think should be said—I am sure you didn't say it was otherwise—but I think it needs to be said clearly; those people who are appointed to the economic council are not paid. I am sure you know that. It is one of the few groups of this nature I have had any dealings with that is so. They are offering it as a public service. I believe they are allowed out-of-pocket expenses and that is all.

[3:45]

Mr. Peterson: The Liberals work for free sometimes, too, you know.

Hon. F. S. Miller: Yes, and in vain. I would also point out to the honourable member that since the council was created we have seen a proliferation of groups in similar roles. We have also seen the 1977 conference on participation or whatever—I keep forgetting the proper title—hive off an advisory committee to the Premier made up of representatives of labour, management and the academics.

We have seen the Premier have a business advisory committee, chosen from a cross-section of Ontario industry, meet with him on a regular basis. We have seen the Economic Council of Canada created. We have the C. D. Howe Institute; we have the Conference Board in Canada; we have groups like the Niagara Institute, which may not duplicate but often comes close. One could go down a list of things of this nature, and I guess at a time when we in this House sit looking at the estimates, as we are doing now, wondering how can government spend less money, one has to pose questions such as you pose: Are we getting value for our money, is it time for us to reappraise that?

I would do that almost any year, because my ministry will be under constraints before the next budget. We will be looking for ways to save money; if in fact we think this council is worth the $1.1 million or whatever the cost will be next year, of course, it will continue; if we think it is wasting money, we would hope you would support us if we decided that money was better used within other government priorities.

Mr. Laughren: Just briefly; our caucus met with the Ontario Economic Council some time ago. We expressed some concerns about the kind of research they were doing and talked to them about what we would like to see them do. They seemed to receive our

input in a very positive way, but I haven't seen anything flowing from it.

Obviously the kinds of things which interest us are the issues we raise here in the House, during estimates debates and the budget debate. I am not very happy with a lot of the research either. I think they are missing the whole crisis of the manufacturing sector in Ontario. There needs to be much more thorough research done on that.

I would like to change the subject for a moment, if I could, to go back to the Treasurer's response on Friday. I really thought I was making it simple by asking the Treasurer some very specific questions, to which he could provide some specific answers rather than engage in a broad-ranging philosophical debate, to which he could just stand up and say, "You are a socialist and I am a free enterpriser." I would ask him some specific questions and would hope to get some answers.

The responses partly indicate why we are in trouble. You really don't have a handle on what is going on out there. I will be specific, I don't want to generalize. I asked you questions about the redeployment problem as a result of the GATT negotiations. You didn't say a thing about it, virtually nothing at all.

How do you know what is going to happen to Ontario? What are the successor industries that will replace the ones that are gradually phased out? I am not looking for anything dramatic or anything to happen overnight, just some indication that you know what the possibilities are.

There have been studies done that indicate there are going to be problems. I would like to know what negotiations you have had with the federal government. I would like to know what your plans are to retrain some of the older workers who will have to be redeployed. I would like to know just what your figures are in terms of the number of people who will have to be redeployed. Is it the 250,000 the federal government indicated? Who is going to share in the retraining costs? Those are all very specific questions. Is a formula being worked on to share those costs between the provinces and the federal government? We have no idea. We don't know what you are doing.

When it came to the whole question of auto parts, we have a massive deficit, over $4 billion this year in auto parts. What about the reduction in tariffs from 15 per cent to 9.2 per cent on some of those things? Does that mean there will be more production in the US or not? What are the minister's long-range projections on deficits in auto parts and on jobs in the auto parts industry? I am thinking particularly now in relation to trade with the United States, not other countries.

I asked you about machinery. We have almost a $4 billion deficit in machinery. I think that's very serious; that's a very key industry in an industrialized economy. I don't know what the minister thinks about that. Does he plan to do anything about it or is he just going to let it drift? It's getting worse and he sits back and makes no comment on it whatsoever.

Those are very specific questions I asked.

When it comes to resources, is the minister happy with the kind of revenues we are getting from the resource industries in Ontario? He could be, maybe he is. He was Minister of Natural Resources at one time, he knows how little money we are getting from our resources.

This year, Falconbridge Nickel Mines for its first six months had net earnings of $43,550,000. This company is controlled by Superior Oil, a huge transnational. Is he satisfied they should not have to build a refinery in the Sudbury basin? They have been there more than 45 years. What is he aiming for, 50 years? Why shouldn't they have to build a refinery there? Why should those jobs go to Norway?

Don't tell us it's done in order to stabilize the economy of the Sudbury basin. What a sad joke that is. We have been saying for years that it is outrageous that the dangerous work and the dirty work is done in Sudbury, and the wealth creation, in terms of further processing, is done in Norway. Now that's wrong, that is fundamentally wrong.

I would like to know what the minister is going to do in terms of revenues for the resource sector, and is he going to continue those processing exemptions under section 113 of the Mining Act that he has now given for Falconbridge? Would he allow those to stay in place? If he is, that's outrageous.

Come to Sudbury and tell us all that despite the $100 million net Falconbridge is going to earn this year, some of it is not going to be plugged back into building a new refinery. Come and tell us that in Sudbury and we will give the minister the kind of reception he deserves.

The minister looks and sees what is happening in Atikokan and Capreol, other parts of northern Ontario that have iron ore mines. While we are importing 58 per cent of iron ore, he is allowing our iron ore mines to be shut down by companies resident elsewhere. Those are the kinds of things bothering us and to which we have a right to an answer.

I'd like to know what the Treasurer's input is on this famous cabinet committee that's supposed to look into the problems of one-industry towns. That is part of the responsibility of the Treasurer. He sits back and doesn't even think it is appropriate to respond to the leadoff questions when they are asked.

I guess the Treasurer would prefer we don't ask specific questions, that we stand up and engage in the silly philosophical debate which has nothing to do with working people, nothing to do with one-industry communities, nothing to do with people employed in industries threatened as a result of the GATT negotiations. Is that what he prefers? If not, why doesn't he answer the questions? It has been a week since they were asked and we still don't have any answers. He has the staff, why aren't they working on those answers? I would sure like to know the answers to them.

I raised the question of the aerospace industry. We are now getting evidence from all sides, all sources, about the potential problems of the new fighter aircraft contract the federal government is attempting to negotiate. The Minister of Industry and Tourism (Mr. Grossman) sure doesn't know what is going on. He hasn't even read the confidential document. He is taking the word of the federal government despite all sorts of questions raised about it. I don't think the Treasurer understands how potentially important that is for jobs in Ontario and for the future of the aerospace industry and for the future of other high-technology industries as spinoff benefits accrue as a result of the work being done in the aerospace industry.

Has the Treasurer made any negotiations with the federal government? Has he been part of it? If so, what are his views about the new fighter aircraft industry?

I asked the Treasurer specifically about the future of de Havilland. I understand why he wouldn't want to interfere with the privatization plans of the federal government, but at least he could tell us he is sure there will be guarantees given as a result, if and when de Havilland is sold.

An interesting thing happens. The federal government has said there will be no guarantees. The Premier (Mr. Davis) says he's sure there will be guarantees in the sale of de Havilland. What's the Treasurer's views on that? Who is right? The federal government or the Premier? Are there or are there not guarantees in the sale of de Havilland in terms of foreign ownership, in terms of benefits to Ontario?

Has the Treasurer had assurance that any purchaser of de Havilland will be required to proceed with the kind of development work into the new Dash X, as we call it—it has another number now; I have forgotten what it is; a new 30-seat aircraft. What guarantees is the Treasurer going to insist on that any buyer give us before they are allowed to buy de Havilland? I would like to know the answer to that question.

I asked the Treasurer if he didn't agree a mining machinery complex in the north would reduce regional disparity. He didn't even answer that. I asked him if he thought a good mining machinery industry indigenous to Ontario or some place else in Canada would reduce the deficit in a current account. He didn't answer that question. I asked him if he didn't think a mining machinery industry here would provide thousands of jobs for Ontario and in some cases in communities where they desperately need them. He didn't bother answering that question. I asked him if he didn't think building a good mining machinery industry would reduce the dependance of some communities on resource extraction and he didn't bother to answer that question.

Those are some of the questions I asked in a very serious way. If the Treasurer wants his estimates to be regarded in a frivolous way, then let him talk to the Liberal Party about it. We are trying to be serious about these estimates and the Treasurer won't treat them seriously. The Treasurer goes through his ramble, disjointed though it is, and doesn't deal with the specifics of the problems which we raise in here year after year. It's discouraging and it's irresponsible on the part of the Treasurer not to respond to those specific questions.

What does he want us to do, put the questions on the Order Paper in written form and then wait for six months while his staff works through and answers them? We shouldn't have to do that. That's what these debates are for.

I am sorry to preach to the Treasurer in such a way but I am very angry at the kind of response he gave on Friday. He didn't even bother to do any homework at all on the questions that were asked in a very serious way. He obviously regards the estimates debate as something in which he won't get into trouble anyway, so he will just get up and he will baloney them, to use the polite word. "I will baloney them for a couple of hours and we will get on to other things." That's not what we are here for. If the minister wants to demean the whole process of the estimates debate then I guess we can't

stop him, but I want to tell him that that kind of behaviour doesn't have our approval.

I will sit down now; there are a couple of other topics I want to get into. I ask the Treasurer if he is prepared to answer these questions in a serious way. Would he prefer to wait until Friday to answer them or come back on Monday to answer them? If he had said when he responded on Friday that the member for Nickel Belt asked some interesting questions and that by the time the estimates are finished he would have the answers for him, I would have accepted that. But he doesn't even do that; he doesn't give us the courtesy of that kind of response. He just stands up and baloneys for an hour.

So in all seriousness, I ask the Treasurer if he would make a commitment to answer those questions in the same way in which they were asked. I think that's why we are here.

Hon. F. S. Miller: Mr. Chairman, I started today's remarks by saying I hadn't finished my initial comments on Friday by the time one o'clock came and while I should have carried on, I did not. I think the honourable member knew that before the day began and I think the kind of debate we agreed we would have here would let him re-emphasize anything he wished to.

I hope I answered most of the things the Liberal critic covered in his opening comments. Whether I answered them satisfactorily or not, I don't expect either of you to pat me on the back. The fact is I took quite a bit of time going through, point by point, the matters he brought forward and I was covering a number of yours. I think a check of Hansard will clearly show I mentioned my concern about mining machinery, about the dollar input, the growth of exports relative to imports lately and a few other comments of that nature. I believe Hansard would show that was all said on Friday.

The member says he asks his questions seriously and I, for one, generally try to answer questions that can easily be answered as clearly as possible. The fact remains I found some of his questions a bit difficult to answer—specifically the question, "Is 250,000 the right number of jobs for re-employment in Ontario?" I don't know. I don't know that anybody has done any more than make a rough approximation.

[4:00]

When we look at the potential shifts, we certainly were concerned. As a matter of fact, a year ago last October I took the time to go to Geneva, as part of a trip to Europe, to express my concern to the negotiators for Canada, pointing out there could easily be discerned within Canada a feeling that this was a time to drop tariffs for the benefit of the non-manufacturing provinces at the expense of Ontario. I wanted them to understand this could easily be popular in other parts of Canada but we were concerned that the industrial heart land get the protection it deserved in the discussions that went on.

I don't know what good option there was to not being a part of the multitrade negotiations. We hadn't been part of them. I was told the negotiating countries had mechanisms and enforcement procedures that virtually could almost boycott us, which is the word they used overseas.

The fact is we have been suggesting there will have to be skill-training programs through the Employment Development Fund, the Federal Business Development Bank and others. You must admit this year we are embarking upon the analysis and improvement of skill training with a new vigour through the Ministry of Labour, which has accepted the responsibility for that kind of work. There is awareness we have to be changing and improving the skills of Ontario workers so they can adapt to a new world.

We hope Ontario is going to profit to some degree from the new tariffs, once they are pointed out. One point made here is 80 per cent of Canadian exports will enter duty free—that is to other nations—and another 15 per cent will be under five per cent. Only 65 per cent of US exports to Canada will enter duty free. In effect, the percentage of Canadian exports going out duty free to other countries is greater than the percentage coming in. We were a very protected area.

You talk about de Havilland Aircraft of Canada Limited. It is great to ask what I am going to demand. It is one of the techniques often used to heap blame upon a government, whether it be provincial, municipal or federal, for something of which it can't be the complete master. I am very concerned about keeping Canadian ownership of de Havilland. I am very concerned about keeping de Havilland in Ontario. We all must be very concerned about that. It has been a company that has produced one of our outstanding success stories in the export markets.

I am meeting, just by coincidence and not because of the estimates process, with senior executives of de Havilland tomorrow. I believe they are going to talk to me about the Dash 8 or DHC-8 program and I am sure at that time I may have an opportunity to learn what, if anything, is transpiring.

As I understand it, the shares of that company are owned by the government of

Canada and the government of Canada will be making any decisions—if any are ever taken—to sell it. I surely hope the government of Canada is as interested as I am and as you are in keeping the ownership of that company within Canada and making sure it stays within Ontario; but, most importantly, that it has a secure future. To ask if I am going to demand—I can demand all I want, but it doesn't mean that is going to happen. I can request and will request without any question at all, but—

Mr. Makarchuk: When the federal election is on, what will you do then?

Hon. F. S. Miller: I am only pointing out to you what I can do now.

Mr. Laughren: What have you done?

Hon. F. S. Miller: What have I done? I have not been the voice of the government of Ontario in de Havilland. I suspect you will find the Minister of Industry and Tourism and the Premier have been the two who have been talking on that score. I can only tell you we have great pride in that company and because it is so labour intensive, because it is so well specialized in its own field, I would hope there are potential investors within Canada willing to buy it, if it is for sale.

Let's be honest. You don't want to see somebody buying it who hasn't got the foggiest idea of how to run an aircraft company, an aerospace industry. Would you agree with that?

Mr. Laughren: Yes. That is why I wouldn't sell it.

Hon. F. S. Miller: One would hope potential buyers have both the financial strength and the administrative capabilities to ensure it is a future profitable organization. Let's be honest. The aerospace industry is a cyclical industry. You have companies like Lockheed getting one of the first, if not the first, major American guarantees to bail it out when the L-1011 program got into trouble. You had the great and almost unassailable Rolls-Royce organization go bankrupt because of its L-1011 engines, did you not?

Mr. Laughren: You missed the point, though.

Hon. F. S. Miller: I don't think I have missed the point. What I am trying to point out is there have been times when those industries, no matter how well managed and how well financed, get into trouble. The very reason for Hawker Siddeley, Canada Limited—who owned de Havilland at one time, did they not?—getting out of it was that they were at one of the bottom swings and the future didn't look all that good.

Mr. Laughren: That's why the government put money in them.

Hon. F. S. Miller: This is one of the times I don't disagree with you. I happen to think it was a wise move and we did need to maintain within Canada, both at Canadair and at de Havilland a capability in aerospace. It's one of the reasons I'm in the pulp and paper industry right now, before it goes as far.

When I look across, the member said I didn't talk much about northern development or the Employment Development Fund. The member implied I should be a bit embarrassed about the Employment Development Fund.

Mr. Laughren: I didn't say that.

Hon. F. S. Miller: Philosophically embarrassed.

Mr. Laughren: Oh, yes.

Hon. F. S. Miller: I think the member was on the tack that I probably should be a bit embarrassed, and I am. If one goes back into the books he will see I have said that it's not my favourite kind of thing.

Mr. Laughren: We don't like seeing you squirm or anything like that.

Hon. F. S. Miller: I quite honestly admit when I have problems with a belief, but again I'm a realist, I'm a pragmatist. Eight years in politics, the first of 24, have made me understand—now that brought him down—or realize that things aren't quite as white and black as you and I want them to be. There are times when governments are intervening in the process because of the nature of the marketplace.

Of the $165 million I currently have for the Employment Development Fund this year, the great bulk of it will probably end up going to northern communities and the very kinds of communities the member started talking about, the one-industry communities. That was the very reason that as Minister of Natural Resources, during the time I was looking at the problem of the one-industry community, I wanted to look at not only the ones that were already gone or going, like Atikokan was with its mine and one or two others like Marmora with its mine, but also look a little further down the road.

It's something the member never gives us credit for doing. We wanted to look across northeastern and northwestern Ontario and find out how many other one-industry towns in the forest products industry were apparently healthy but potentially unhealthy. That

was a direct result of the committee the member gives no credit to; I was chairman, as Minister of Natural Resources.

Mr. T. P. Reid: What came out of it?

Hon. F. S. Miller: The member for Rainy River—I won't ask him to say he would agree—believes we should help the pulp and paper industry to restore its strength.

Mr. T. P. Reid: I don't think we should give them money, but you're doing it on an ad hoc basis.

Hon. F. S. Miller: No. I don't think we are.

Mr. T. P. Reid: What are you doing for Ignace?

Mr. Chairman: Order.

Mr. T. P. Reid: Ignace is in the same boat as Atikokan.

Hon. F. S. Miller: The honourable member may be excused for interjecting quickly when he has just arrived.

Mr. T. P. Reid: I've been here for an hour and I'm waiting, just like my colleague from Nickel Belt, for you to say something. I was here last Friday—

Mr. Chairman: Order. Order.

Hon. F. S. Miller: I recall many a time when there were three of us in here, but perhaps you were within range—

Mr. T. P. Reid: I was one of them. I was astounded, there were only four of us here.

Hon. F. S. Miller: Five, because it was one of my colleagues who called for a quorum.

The fact is that the Employment Development Fund is heavily going after some of the areas you are talking about.

We are working on the auto parts imbalance. Twenty-nine per cent of grants so far have gone to the auto parts industry. That's a fairly high chunk of the allocation. By the time we're all through we're going to be much higher on the pulp and paper side because we're going to be approving quite a number in the next while, once we have sorted out some of the final details with our colleagues at the DREE level who are paying part of the costs of that program.

That's an interesting thing. Ontario brought the program forward without consultation with the federal government. We didn't really ask for help but they very quickly jumped in, I think within two days. Obviously they had been working on it—they knew we were—and had a program for Ontario where they gave one dollar for every two Ontario gave. This is specifically for the pulp and paper part.

They expanded it to Quebec, where they gave 60 cents for every 40 cents Quebec gave or $1.50 for every dollar Quebec gave. I wasn't surprised but I was somewhat disappointed that the ratios were so different in the two provinces. I think our pulp and paper industry is just as deserving of federal dollars as is that of Quebec. I hope you would agree with me. A pulp and paper company functions there with almost exactly the same basic problems it functions with in Ontario, except perhaps they have not pursued the pollution and environmental aspects with the same kind of will we have.

Mr. Samis: That's not saying much.

Hon. F. S. Miller: I hope to be in your community very shortly and I hope to have you with me while we give away a little money in the next few weeks. The gentleman behind you who suddenly woke up and came alive, in his community we're giving money away so steadily it's a wonder we're not filled with Conservative members from Nickel Belt.

Mr. Laughren: I think the Treasurer is taunting me. I will indeed put the questions on the Order Paper and try to get some answers that way.

Mr. T. P. Reid: That doesn't work either, I've tried it.

Mr. Laughren: At least it puts somebody to work.

I would like to talk to the Treasurer about one of my favourite topics, one about which I have a passion, if not a fetish. That is the whole mining machinery industry to which I have referred a couple of times.

It really is outrageous that this country is the third largest in the production of minerals, the second largest consumer of mining machinery and number one in importing mining machinery. That's in the developed world.

The jobs that are lost in the mining machinery industry we estimate to be roughly 18,000. To lose 18,000 jobs in an industry which should be ours is simply not acceptable.

I know what the Treasurer has said—that the Minister of Industry and Tourism had a trade show, which we thought was a good idea, and the Minister of Industry and Tourism has indicated he is going to follow it up. But the Treasurer knows, as we know, that the private sector has had decades to put in place in this province a healthy mining machinery industry and they haven't done so. There is Jarvis Clark in North Bay, a producer of mining machinery, but they have their problems too. They go to DREE for a grant to expand and they're turned down because they're too successful. Now, a fellow named

Jarvis and a fellow named Clark own Jarvis Clark—at least that's my understanding.

Hon. F. S. Miller: They're both federal members for our party.

Mr. Laughren: Not the same, no. I don't think that's true; I stand to be corrected.

Mr. Peterson: Pretty sure about that; right, Frank? I think they sold out to a US company. They're now working for the States.

Mr. Laughren: No, I believe the member is wrong because not a month ago they came before the Sudbury 2001 committee, of which I'm an executive member, and made a presentation.

[4:15]

The figure that always fascinates me is the proportion of domestic demand that is met by imports. That's a very critical figure to look at in any key industrial sector—the percentage of the domestic demand that is met by imports.

I was checking on mining machinery statistics. These are from the Department of Industry, Trade and Commerce, using the Statistics Canada figures. In 1964, as a percentage of the Canadian market, imports were 57 per cent. That kept creeping up. We have a more up-to-date figure on its way to us; the latest figure we have is that it's up over 90 per cent. I understand there are some corrections being made on that figure by StatsCan or Industry, Trade and Commerce in Ottawa, but those are the figures we got from them. They're not our figures.

Thinking of mining machinery imports meeting 90 per cent of the domestic market should cause a chill to run up the Treasurer's spine. That's something we have to turn around.

I would like to know if the Treasurer is prepared to move in an aggressive way to ensure that happens. It's not good enough to stand back with either a wishing wand or a Band-Aid and think the problem is going to be solved. It simply won't happen that way.

As a matter of fact, Jarvis Clark made the point that there should be something called an Ontario mining group in Ontario. He felt the Ontario mining group should consist of manufacturers, government, mining companies, contractors and consultants. The Ontario mining group would take a look at this problem. The government has to take some initiative here. If the Minister of Industry and Tourism won't take it, the Treasurer should.

I want to tell you something. If I were sitting in the Treasurer's seat—we all fantasize, I know—and I saw those kinds of deficits and import figures, I would say to the Minister of Industry and Tourism: "This has to end. Get together an Ontario mining group; turn this thing around. Don't do it with a mining trade show that has 10 per cent of the potential market on display. Do a proper one, so we can get this thing under way."

The Treasurer doesn't see that as his role. Part of the problem is that he sees himself simply as someone who tries to balance the books. Well, he's not going to balance the books with that kind of attitude. There's enough evidence that that won't solve the problem.

We've tried to be very specific on this side in terms of what we would do to try to turn it around. Rather than just criticize what the Treasurer is not doing, we've tried to say what we would do. That allows the Treasurer to have a go at us too; we think that's fair.

We have suggested a number of things. I'll enumerate them for the Treasurer:

First, we suggest the establishment of an independent nickel institute in the Sudbury basin. We've got a university there; that would be an ideal place for it. As a matter of fact, the mineral nickel consultant for the province of Ontario has been urging that this happen for some time now.

Second, we suggest the expansion of Laurentian University and Lakehead University to provide major studies in resource development, as well as extensive mining research facilities. Some of these tie in with the whole question of linkages between the resource industry and the machinery industry. That's what's missing at the present time.

Third, there should be government support of mergers and joint ventures that will strengthen domestic machinery production. A good example is the Jarvis Clark operation attempting to expand but needing capital input.

Fourth, we suggest the establishment of a government agency or a government industry agency which would foster communication links between manufacturers, resource companies and parts manufacturers so that domestic companies secure maximum contracts from resource industries. Such an agency would also foster our domestic and international marketing network. The province of Saskatchewan has recently announced such a program.

Fifth, we would put pressure on national distributors to market Canadian-made items.

Sixth, we would require foreign-owned corporations to spend more on research and development in Canada. That's a major problem.

Seventh, we suggest the introduction of a machinery purchase tax credit program based solely on the buy-Canadian policy.

We have examples over there of the policy which now gives a tax credit for the purchase of machinery no matter where the machinery is purchased. It's coming back to me now—the ministry itself had a study out a year or two ago which showed that program was costing Ontario jobs in the short term. In the long term there would be the job creation aspect of it, but in the short term it was costing us jobs. I would even question that. When you encourage the purchase of foreign-owned machinery rather than rebuilding the Canadian machinery you're not making sense at all.

Eighth, we suggest a manpower training program based on an apprenticeship fund from which corporations could draw after demonstrating an effective program. The fund would be developed on the corporation grant levy system.

Ninth, there should be a strictly enforced buy-Canadian program for government agencies and crown corporations, taking into consideration issues beyond prices. This type of nontariff barrier would respond to those used in all other countries.

I want to talk at some length on that, by the way. I doubt if we will get to it today, but I want to talk about the whole government procurement program of this government. The Treasurer should be taking an active role in that because it has something to do with rebuilding the Ontario economy as well, not just the Ontario economy, but other parts of Canada.

Mr. Peterson: You've been reading our stuff, Floyd.

Mr. Laughren: No, this is something we've been working at for a long time.

Tenth, we suggest much better data collection on this industry by all levels of government. By that I mean the mining machine industry.

Mr. Chairman, those are some of the things we'd like to see happen in the field of mining machinery. The Treasurer can say they've started. Well, they've started after years of increasing deficits in the mining machinery industry. As a matter of fact, the figures I was quoting before showed that back in 1964, which is 15 years ago, the trend was already evident. For 15 years the government sat over there and watched the market deteriorate in terms of meeting the domestic demand from Canadian suppliers. After 15 years the Treasurer can say his government is doing something now, but that is not a good enough excuse for not doing anything for 15 years. We're talking about a $400 million market. It really is a substantial market.

That's all I have to say about mining machinery. I wanted to talk about one other sector before I sat down, but if the Treasurer wants to respond to mining machinery I'll stop for a moment and then go on to the other sector.

Hon. F. S. Miller: I was trying to check to see whether the figure you used, that 90 per cent of mining machinery was imported, was accurate. I think when sweeping statements like that are made we need some documentation.

Mr. Laughren: They're not my figures.

Hon. F. S. Miller: I'm not challenging you and saying it's wrong. I want to make sure you're right before I simply take it, as we all too often do, to be gospel. I think I have enough data here.

On a Canadian basis, putting all machinery together—I leave you to exclude mining machinery—exports in 1978 were $2.6 billion and export-imports in 1978 were $6.9 billion. So the exports would have been a little more than one third of the imports; about 40 per cent of the imports, roughly.

Mr. Laughren: Then there's something wrong with your figures.

Hon. F. S. Miller: These are federal Department of Industry, Trade and Commerce figures for machinery in Canada. I can even be more specific in Ontario. These figures didn't tell you what the domestic demand was. They only showed total exports and total imports. They didn't say what the Canadian market was and that's the part I've been looking for in my data. So, if you're right, if we've imported $6.9 billion, we've offset it with $2.6 billion. The interesting thing there is that the rate of growth of exports is going up faster than the rate of growth of imports. That at least is in the right direction. What would the honourable member have us do? If that isn't happening, we even have a worse problem.

This is one of those areas where I share again the objectives of the honourable member. I sincerely do share the goal of seeing us improve our Canadian manufacturing of machinery. I am quite willing to consider seriously the suggestions he is making. I am not going to say which ones I will accept or reject today. It happens that when I listened to his first presentation a week ago today I jotted down a number of questions to myself about this issue and I am in the process of asking that we start looking

seriously within Treasury at the feasibility of some of them.

That doesn't mean they are going to be feasible or not feasible. I quite agree it is a major problem and it may be very difficult to solve. Some of the solutions the honourable member has offered may look good, but I will give you one example: the selective sales tax route is, in my opinion, a nontariff barrier. Under the rules of GATT we would be hampered.

Mr. T. P. Reid: Frank, you were complaining that the United States was the worst offender.

Hon. F. S. Miller: I think Japan was the worst offender.

Mr. T. P. Reid: The United States was close.

Hon. F. S. Miller: There are all kinds of nontariff barriers functioning right now; you and I both know it. I have one that is complained about quite often—the price of wine in Ontario. That is strictly to protect a Canadian industry.

Mr. T. P. Reid: Come on now, 123 per cent? He is raising revenue and you know it.

Mr. Laughren: I will have to get Morty Shulman back here to talk to you about that.

I will leave the mining machinery sector for the moment. The Treasurer said exports were increasing at a faster rate than imports. When one is starting with this incredibly small base, the total deficit is increasing by leaps and bounds, even though exports are growing at a faster rate. That argument makes no sense whatsoever.

Hon. F. S. Miller: Again the insinuation that our base is terrible is not totally correct. Our exports were 38 per cent of our imports in machinery. I don't think that is quite as infinitesimal as the honourable member has made out.

Mr. Laughren: The minister could go through every figure for exports and imports every year for the last 15 years and it would show him he is wrong.

I would like to go beyond the mining machinery sector and talk about the whole machinery industry in this country. When we talk about machinery we talk about a very key ingredient in our manufacturing base in Canada. In 1975 this country had a $3 billion deficit on machinery; in 1976 it was up to $3.1 billion; in 1977 it was also $3.1 billion; in 1978, $3.34 billion; and so the figures go. This year I expect it is going to be even higher.

The machinery problem goes beyond mining machinery. I didn't want the Treasurer to think it was only mining machinery with which we had a problem. It is the entire machinery industry that is causing this very serious problem. You could draw two parallel lines on a graph; one would show machinery trade balance and the other would show the manufacturing trade balance. That says something.

[4:30]

The Treasurer was talking about our imports. The figures I have indicate we import 71 per cent of our machinery in this country. This should give the Treasurer pause for thought: we are the only industrialized country in the world that imports more than half its machinery needs. That should tell you something about the way we have been treated by companies which don't really care about creating a healthy industry in this country and becoming involved in export markets.

That happens when you are a branch-plant operation. The foreign-ownership aspect is important. The machinery industry is foreign owned by 70 per cent of the assets, 50 per cent of the output and 75 per cent of the sales. We know, and I think the Treasurer would admit in a moment of honesty, that foreign ownership has caused this state of affairs. It has promoted fragmentation and excessively large numbers of suppliers for most products, poor design and dismal innovative activity, restricted access to foreign markets for our machinery exports, and imported large amounts of component parts. The Treasurer should understand that.

I will give the Treasurer credit for not standing and saying that is really a federal government responsibility. I suspect he knows we can't allow ourselves to fall into that trap, because 64 per cent of machinery employment is located in Ontario and 70 per cent of the shipments are accounted for in this province. It is extremely important for Ontario to have a healthy machinery industry. It is an Ontario problem. If it is going to be turned around, it is going to be turned around in Ontario.

I couldn't help but look at the employment in the industry, and what has happened to employment in the industry in the last few years. I will go through a few figures, just as they apply to Ontario.

In 1972 there were 50,000 employees in the machinery industry in Ontario. By 1978 the number had dropped to 45,700 employees, a drop of almost 5,000 employees in the machinery industry alone. To my mind that is serious.

The Treasurer should not say, "They are becoming more mechanized and more sophis-

ticated and that's why there is less employment." The fact is you could also put that on a graph and see that it parallels the increasing deficits in the machinery industry as well. So we have to look at those in a very serious way.

I look at import penetration. The import penetration of the Canadian market in 1970 was 53 per cent. By 1975, it was 63 per cent; in 1977, 65 per cent; and the Conference Board in Canada says it was 70.9 per cent for 1976, even higher than the figures we got from the federal government. I think the matter is serious enough for the Treasurer to go beyond the mining machinery industry.

I agree that you have to start some place. I hope the Treasurer will take a look at the mining machinery and see that as a special case—a model from which to build—but have people working on the problem in the machinery industry as a whole, because imports are taking an increasing proportion of the Canadian domestic market.

I look at the trade deficit in the machinery industry and you break it down into component parts. These are the latest figures I have in a breakdown: 1975, construction equipment deficit $545 million; agricultural equipment, $536 million; special plant machinery, $379 million; rolling mill metalwork machinery, machine tooling, $342 million; pumps, compressors, valves and bearings, $304 million.

That all represents machinery in areas of the economy where we are big. We have massive construction programs. We have massive mining operations. We have huge energy projects and they are specifically the areas that use a lot of big machinery. We should be meeting that domestic market, not importing an increasing proportion of it as time goes on.

To break down the individual components into imports as a percentage of the domestic market here are a couple of the bad ones: power generation equipment, 1965, 54 per cent; forestry equipment, 53 per cent; mining machinery, 21.7 per cent; and construction equipment, 16.4 per cent.

I'm sorry, those were domestic, I'll correct that, Mr. Chairman. Those were domestic shipments as a percentage of the domestic market, not imports. In 1965 in total domestic shipments represented 46 per cent of the domestic market, yet 10 years later in 1975 they had dropped to 37.7 per cent. So in just 10 years they dropped almost 10 per cent. That is very serious.

In the resource-based area it went from 37.6 per cent to 27.3 per cent. In the plant and industrial areas, from 49.4 per cent to 44 per cent; service industries, from 54.3 per cent to 45.6 per cent. That's how we get the total of 46 per cent and 37.7 per cent 10 years later in 1975.

Those figures substantiate everything we are trying to say to the Treasurer. The situation is deteriorating and for him to stand in his place and say exports are growing at a faster rate than imports is nonsense. The fact is deficits are getting worse and they are getting seriously worse and the imports as a percentage of the domestic market are growing. They are growing very dramatically. The Treasurer can't pretend it doesn't exist by using phony comparisons.

If I could I will just give the Treasurer a brief summary of the machinery trade deficit since 1975. The trade deficit in agricultural equipment was $536 million; power generation, $256 million; forestry, $81 million; mining machinery, $136 million; construction equipment, $545 million; special industrial machinery, $378 million; materials handling equipment, $226 million; rolling mill, metal working, $342 million; pumps, compressors, $303 million; other industrial machinery, $103 million; commercial refrigeration, $137 million; and other service industries, $720 million. So we have a trade balance that is unacceptable at almost $4 billion. Between 1975 and 1977, the trade balance went from $3 billion to $3.1 billion and in 1978 it was up to $3.6 billion.

That is a completely unacceptable trade balance. The Treasurer isn't going to turn it around by pretending it's not there or thinking that the private sector will solve it, because it is the private sector that let it deteriorate to that level.

I was checking the machinery trade by major machinery-producing countries, because there are people on that side of the House who say, "The low wage rates in the Third World are causing our problem." That's nonsense; we are not getting our machinery from the Third World anyway. When it comes to other countries exporting machinery, look where we stand. Percentage of domestic requirements imported: United States, 10 per cent, 10 per cent of their domestic demand is imported; Japan, 10 per cent; West Germany, 34 per cent; Britain, 34 per cent; France, 50 per cent; Sweden, 50 per cent; and Canada 60 per cent.

The percentage of production exported: United States, 17 per cent; Japan, 24 per cent; Britain, 50 per cent; France, 45 per cent; Sweden, 59 per cent; and Canada, at the bottom again, with 30 per cent. So whether we are talking about the percentage of domestic requirements we import or the

percentage of the production we export, we are at the bottom of the pile yet again. That is something Ontario is simply going to have to take the lead on.

The size of the market is estimated at about $8.8 billion a year and that's a big market to have someone else control and it's going to take some very aggressive reaction. The people at the Mining Equipment and Machinery Association of Canada had this to say. Perhaps the Treasurer could pass this on to his close friend and colleague, the Minister of Industry and Tourism. I quote: "Imports substitutions, rather than pushing exports, is a way to reduce the trade deficit and re-establish the industry in a Canadian market." That was Mr. Meschino of MEMAC.

That's something the government hasn't learned yet. How can you expand your exports when you don't have the domestic industry here to meet even our domestic demands? It's like playing the old shell game without a pea under them. You think you are going to increase exports when you don't even have the equipment to meet the domestic demand.

They don't have a substantial buy-Canadian policy in machinery. If the Treasurer thinks that's an exaggeration, he hasn't been following the whole debate over Peel region's awarding of a contract to Grumman of New York on the waste recovery plant. That was a pathetic example of a government not being on top of the whole government procurement. More about that later. I want to talk about that a little later.

We have tried to tell the Treasurer what we would do. One of the things we would do in machinery is put in place, and strictly enforce, a buy-Canadian policy. It's not there now. This government certainly doesn't have it.

We would also require the industry to improve manpower training and perhaps we would even set up something like an apprenticeship fund like the one I mentioned for mining machinery.

We could provide capital assistance to enable companies to undertake production of machinery not now made in Canada. For example, I mentioned Jarvis Clark attempting to expand and looking for money—not free money, but looking for assistance from DREE. They were turned down because they are successful. Perhaps the Treasurer could tell me how we are going to rebuild this sector with that kind of attitude on the part of government.

We think there should be very serious consideration of direct government involvement in certain sectors of the machinery industry. There was an all-party select committee of this Legislature a few years ago. They made the same recommendations. They said that if the private sector continues to neglect the mining machinery industry, for example, government has an obligation not simply to stand back and twiddle its thumbs, but to get directly involved. This is something the Treasurer could do, without compromising any of his free-enterprise ideals. He could make sure there's better data collection on the whole machinery industry. It's very difficult to dig out the necessary machinery—to break it down into the different kinds of machinery and to identify the kind of clusters of imports that occur—so we know what it is we are fighting and so, when we go to the manufacturers in Ontario, we can say: "This is what we want. This is what we want you to produce in this province or elsewhere in Canada."

Of course we'd do some of the other things I mentioned, like requiring foreign-owned corporations to spend a lot more on research and development because that has enormous benefits further down the road.

Mr. Chairman, those are some of the things we would do. All I have done is try to impress upon the Treasurer the fact that it's not simply a mining machinery problem. It's a machinery problem. The deficits are enormous. They are growing. They are costing us good skilled jobs. We are missing out on high-technology areas by not being involved in the machinery industry in a more substantial way.

It ties in with the whole de Havilland question and what we should be doing there. When you see this kind of thing going on, you think to yourself: "My goodness, if de Havilland goes down the pipe"—by down the pipe, I mean sold to a foreign company—"I can just imagine what will happen. I can just imagine it." The research and development will be done someplace else. The benefits of the high technology will be primarily drained off someplace else. No guarantee of production will remain here, or if it does it will be simply to meet domestic demand, not to get into export markets.

The Treasurer has to start making links between what's happening in the various manufacturing sectors out there. So far, we don't see any sign of that. We wait with bated breath for his foray into the machinery industry, to try and get us back on the right track.

[4:45]

Hon. F. S. Miller: I noted the exports of mining machinery in Ontario are about 45 per cent of imports. Again, I am not relating that—

Mr. Laughren: A deficit.

Hon. F. S. Miller: The deficit is simple; one deducts the one from the other to get the deficit—but in terms of the domestic demand and the percentage of it that is local.

One of the encouraging things to me, while we went through the pulp and paper assistance program, was the very high Canadian-procurement content. Most companies were reporting in excess of 80 per cent, with some reporting in excess of 90 per cent of procurement. That, I think, would indicate a fairly healthy and competitive state particularly for the companies producing environmental equipment in Ontario, since a good deal of the money is being invested in that area.

It would also indicate to me there is going to be quite a growth in demand. I think you are going to see well over $1 billion, I would say, invested in the pulp and paper industry in total over the next four to five years. That, in turn, should give a bit of an edge to Canadian producers who are producing, according to our figures as I say, between 80 and 90 per cent of the total expenditure. It is going to increase their output, obviously allow them to expand facilities to meet the demand and, I hope, do some of the R and D required to maintain the product in the forefront. So the program may assist some of the very objectives you are talking about.

You touched upon agricultural equipment. I can recall when this country exported a great deal of agricultural equipment to the States from Toronto and Brantford, in particular, as the two major centres for that production. Certainly that has changed, but I was a bit encouraged to see the reorganization Massey is undergoing right now. It probably will strengthen the Canadian part of it and hopefully see us re-establish some of those points.

You talked about manpower programs and training. Again, I mentioned those, but I think I should repeat that, with the appointment of the commissioner or the gentleman who came from industry to look after this and some of the press reports I saw as recently as today, I am satisfied we are taking the need seriously and are taking steps—belatedly, if you want to say it, but at least they are being taken—to ensure we start equipping young Canadians, in fact older Canadians to some degree, for the kinds of jobs that are going to be in demand—not going to be, it is current.

Mr. Peterson: What are you doing about it?

Hon. F. S. Miller: I think we are progressing very well.

Mr. T. P. Reid: You had the Dymond report six years ago and didn't do anything with it.

Hon. F. S. Miller: One of the great advantages of sitting over there is one can always say that, can't one?

The fact remains this is one of the first things we pinpointed during this year as—

Mr. Peterson: We had it pinpointed eight years ago.

Hon. F. S. Miller: If you read through your notes, you fellows can say you pinpointed almost anything because you talk about everything. Therefore, you can be right on almost any topic, no matter what the outcome is, because you have talked on all sides of every issue. Therefore, you are bound to look good if you go back in history.

Mr. T. P. Reid: Mr. Chairman, I just want to deal very briefly with the matter I raised with the Treasurer on Friday, in relation to one-industry towns in northern Ontario and what the Treasurer is going to do about them.

The Treasurer may or may not recall I first had a question on the Order Paper on December 13, 1978, asking how many times the special committee the Premier set up on the one-industry towns in northern Ontario had met and what resolutions and policies they had come to.

I got the usual mish-mash of very little information dealing with the question I put on the Order Paper. My friend from Sudbury East (Mr. Martel) picked up the subject about six months later and then repeated the question I had asked previously. He didn't get any better an answer than I did, but generally the answer was the cabinet committee on one-industry towns had been folded into the cabinet committee on resource development.

The committee was set up at the time of the Inco layoffs. It was set up as governments of any political stripe are wont to do, namely to indicate that the government is concerned in dealing with it. I didn't get any answer to my question as to what policies were in place on a broad spectrum and as to what the thrust of the government was going to be in dealing with these situations as they arose in northern Ontario.

It didn't deal with broadening the economic base of towns like Atikokan, Ignace, Marmora and all the rest of these places. It didn't deal with what the Treasurer was going to do in regard to the taxation system and so on. We still haven't heard anything from the cabinet committee on resources development—and I see the minister who, I believe, heads that committee is here with us—as to what it is planning on doing.

I asked the Treasurer specifically last Friday about it. I got his usual "jolly old Frank" performance. I want to put the question to him again during his estimates. What can he tell the people we represent who are in these communities that the government is going to do to assist them when the main industry in that town is mined out fully or when all the trees are cut and the mill closes down or whatever? I specifically want to know in the case of Atikokan, for instance, what assistance the Treasurer is going to provide, if any, to that municipality to assist with the tax base or the loss of tax revenues due to the closing down of Steep Rock and Caland? Can the municipality expect any tax relief or assistance?

I wrote the minister and asked him this question nine or 10 months ago. He replied at that time that this had not yet happened and when it happened the government would deal with it. Steep Rock now is closed down completely. They've sold all their equipment and machinery. They've moved their head office to Toronto to look perhaps into some other investments in the mining field. They're shut down. Almost 700 men and women were laid off in that community.

Caland Ore has already laid off 200 men and will be laying off more. We had hoped they would be going on until September or October of 1980 but they announced a week ago they would be closing down on April 1, 1980. That will put another 225 to 250 men and women out of work. Some of those people obviously are going to have to leave the community to find employment elsewhere. Unfortunately for them, it's too late. They're the recipients of 36 years of this government's not having any policies in regard to this.

Specifically, I want to know from the Treasurer if he is going to provide anything in the way of tax assistance to Atikokan. This question is going to relate to Ignace, which also has learned in the last two weeks that Mattabi Mines will be finished mining in that area in 1988 and closed down completely by 1990. A large proportion of the people in that community will have to leave to find jobs elsewhere. What is the community going to do to pay for its sewer and water system, its municipal programs and all the rest of it?

I want to ask the specific question, what is the minister going to do as far as the taxes go? Secondly, what can he tell us about the government's program in regard to one-industry communities, or is he still simply dealing with them on an ad hoc basis? Are there any guidelines or requests they can make that will be available to them to assist them in getting such things as industrial development officers, to whom they can look for government assistance?

Hon. F. S. Miller: Let me address Atikokan directly. There are other aspects to the question raised but, Atikokan being in the member's riding, I'm sure he'd be interested in the results.

From the regional priority budget: 1978-79, $800,000; 1979-80, $1.4 million; 1980-81, $1 million, in round figures. That's for a town with 5,000 people. That money is going for sewage facilities, an industrial park, a geological survey, the salary and expenses of an economic development commissioner, and an airport expansion. That's just one part of it.

The other thing—and this came directly from my one-industry community committee—is the grant from the Ministry of Northern Affairs of $75,000 per year for five years for the Atikokan economic development commission. One small company has been secured so far. While it is only employing four people, it is at least a start in that direction.

The Ministry of Northern Affairs is completing final arrangements for a direct grant to Atikokan for the servicing of 12 acres of land to be developed as an industrial park.

The Ministry of Northern Affairs is funding a tourism opportunity study at a cost of $30,000. That is almost complete.

The Ministry of Industry and Tourism has discussed with Norcast Manufacturing, a division of Noranda Mines, the possibility of establishing a facility to produce grinding media. Because of market conditions, that has been put off for a while. Atikokan is still on the short list of places it may go once the economic conditions justify it.

I mentioned the Bending Lake proposal and the roads the other day when the member was here—in looking to the future in the hope that the Bending Lake proposal would become competitive. We had already got to the point of saying we would, as a matter of subsidy, assist with a slurry pipeline to maintain the town if it should happen. A transitional counsellor has been hired to assist people who are being affected.

While a lot of people disagreed with it, there is no question that the need for employment in the Atikokan area was a basic factor in the decision to maintain the Hydro plant there. If I could get any of these things done for a town in my riding, I would sound like a hero. They're in your riding.

Mr. T. P. Reid: I'm lucky.

Hon. F. S. Miller: One can go on and ask, "What have we done?" Arrangements are being concluded with the Ministry of Education and with Confederation College to establish a welding course in Atikokan. The Ministry of Northern Affairs is providing financial assistance for the course, planned to take place in 1980.

The Ministry of Northern Affairs is providing money to the Ministry of Natural Resources for a geological mineral survey, such as we did around the Kirkland Lake area. That brought a great deal of excitement and potential development to the area when I released the results a month or so ago.

I mentioned the Bending Lake deal, and I mentioned the expansion of the airport. The member heard us talk about the improvements to Highway 11 and the discussions the minister had before the Northwestern Ontario Chamber of Commerce the other day.

Another little factor, stemming to some degree from our single community report, was the need to put our money into the north and help the one-community towns. The fact is that the regional priorities and community priorities budgets of the Ministry of Northern Affairs will be about $75 million for northern Ontario next year, compared with $4.5 million for all of southern Ontario; that is a 15-to-one ratio, and the population is just about the reverse. On a per capita basis, dollars are being poured into northern Ontario for infrastructure, for development, for all the things we've tried to do to make it attractive to industry.

The member heard the figures for other things like Wintario grants to make amenities available: $54 per capita against about $12 to $13 or $14 in southern Ontario. When one gets to the mine sites of Pickle Lake, Ignace, or whever one may go, one of the major problems is keeping happy employees or happy wives and children. Happy wives and children depend on a community with television, educational outlets and skating rinks. One of the great things about the town of Atikokan is its spirit and the quality of the services it offers people in those areas. For all the problems it faces—and we are the last to deny it faces problems—we have been taking active steps in the last while to attempt to do something about it.

[5:00]

The member touched upon Marmora. It's not in his riding, but he touched upon it. There we had another iron mine go out in advance of its estimated closing time, because Bethlehem Steel in the United States ran into the biggest single first-quarter loss of any company in American history, as I recall; it was around $400 million, or some tremendous figure of that nature. They consolidated right around the world. They didn't just close one or two Canadian operations; they closed a lot of American ones. That's happening throughout the American steel industry.

Both the member and I need to worry about the American steel industry, even though the Canadian steel industry is perhaps almost the healthiest in the world, because we do supply the American steel industry with certain components.

Concerning Marmora, we went through a detailed geological survey in eastern Ontario. We suggested the use of the magnetite ore as a heavy aggregate for an improved rail corridor, which has been one of the major issues facing Canada; that is, better transportation. This country, above all, depends on cheap, good, fast transportation in an energy-conscious world.

When I was talking to the member for Nickel Belt (Mr. Laughren), who was complaining about section 113 and the use of Norway for refining, I forgot to say, with great respect, the price advantage of the electricity in that country is something. In fact, I would argue that one should use Canada's scarce energy resources a little more wisely in some of the areas where one is using them, because of the small differential in manpower involved in the final refining process. I think the member will recall that on average there are seven jobs at our end for every job at the refining end. Does the member recall that?

With alternative sources of nickel ores for refining in the world today—there was a time when there weren't—one of our major jobs should be to protect the jobs in Sudbury. I'm sure the honourable member knows how hard everybody fought to see that those jobs were protected when there was a slump a couple of years ago.

Mr. Laughren: We never supported the exemption. The people in Sudbury didn't.

Hon. F. S. Miller: I'm not suggesting they did. I'm only saying that when the layoffs

occurred in Sudbury two years ago, the pressures on us to do something were such that—I only say to the member, the most important thing we can do is to get as much processing as we can in this country. That I agree with; there's no argument.

However, there are some realities in the world that have to be faced. If I had to spend the amount of power that currently is used for that electrolytic refining process in this country, and decide how best it would be used for jobs, I would argue that we could best use it in other ways, and protect the average seven jobs that are at stake.

Mr. Laughren: But they are not using it in other ways.

Hon. F. S. Miller: Just a second; I'm not quite through with the member. I just digress to him for a second, because I missed it in answering him.

Regarding the DREE agreement: We've entered into the forestry agreement for northern Ontario to get better access so our timber can be harvested according to age and maturity and so we will have a more logical approach, rather than a from-the-mill-outward approach, to the harvesting of forests.

In the meantime, we got to the point—and I smile with some degree of credit, because we announced this change in direction in May 1977—it came to the point where we were going to unify the control with the companies of harvesting and regeneration. I'm convinced, after listening very carefully—as I hope both my critics are—that that is going to improve tremendously the quality of regeneration of the forests in Ontario. That kind of thing has gone on.

As for the specific grant or the maintenance of the community's tax base, we then leave my ministry's jurisdiction and enter into the Ministry of Intergovernmental Affairs's jurisdiction. That's the kind of thing the minister would more properly look at than myself. I allocate, through the budgetary process, the total dollars. He makes the specific allocations and decides where special arrangements are required.

Mr. T. P. Reid: I thank the Treasurer for all of that. I appreciate that there has been a fair amount done in regard to Atikokan—a little late perhaps, but it has been done. The question now is that I have another community, Ignace; and there are going to be a number of communities across northern Ontario that are facing the same things. I'm presuming, from the Treasurer's answer, that they can expect, perhaps not a Hydro plant, but the same kind of assistance for industrial development officers, for instance—some of the grants and assistance that the Treasurer has outlined. Can I get a nod from the Treasurer that will be the case?

I appreciate the specifics of what the government has done in Atikokan, albeit rather too late, and I asked the former Treasurer the way I am asking this Treasurer, to have a program to assist these communities. In Atikokan we got going much too late.

Ignace knows that by 1988-90, Lyon Lake-Mattabi is going to be mined out. I don't want to be here in 10 years anyway—

Hon. F. S. Miller: We can arrange it.

Mr. T. P. Reid: —but I don't want to be here standing in this place, or that place, saying, "What are you going to do?" We've got to start on it now.

Can I presume, from what the Treasurer is saying that he has a fairly broad policy to deal with these matters, and that the other communities that might find themselves in the same situation can expect relatively the same kind of help?

Hon. F. S. Miller: I would think a good number of the components of the approach to Atikokan would apply to most communities that are facing the predictable end to an ore body. One of the things I'm encouraged about is that while we've gone through a period of time where new mines were not exactly being rushed on to the scene, there now appears to be, because of the slight reduction in our taxes for the mining industry a renewed interest in Ontario. My friend and I may agree that will stimulate mining in Ontario—

Mr. T. P. Reid: You won't get me in on that.

Hon. F. S. Miller: —when we are dealing with more marginal ore bodies than perhaps were found in some of the socialist states, which for a while were taking 102 per cent of the income.

Mr. Laughren: Like Saskatchewan?

Hon. F. S. Miller: Yes, but let's be honest. You'll deal with the devil himself if the ore is good enough, and they had to.

Mr. Laughren: Oh, but they are happy too.

Hon. F. S. Miller: But the ore quality for uranium in the mines in Saskatchewan, I'm told, is exceptionally high. It certainly had the spark and radiance.

Mr. T. P. Reid: I will talk to the Minister of Intergovernmental Affairs (Mr. Wells) about the tax problem and the tax base.

There are two other things I want to speak about to the Treasurer, one of them

because he was the Minister of Natural Resources and should have an appreciation, which on occasion he demonstrates. That is, I would hope he might have as big a hammer as his predecessor, Mr. McKeough, in setting government policy along certain lines.

The point is—and I have said this to the Premier (Mr. Davis), to the Minister of Natural Resources (Mr. Auld), and I'll say it to the Treasurer—surely in Ontario, in this day and age, we cannot allow a company like Caland Ore, a subsidiary of Inland Steel of Chicago, to make an announcement that they are going to shut down three or four months early, leave ore in the ground or in stockpiles, shut down their pelletizer and effectively go out of business, leaving mineable, economic ore. They can supposedly mine that ore at a reasonable profit, but they're going to leave it in the ground or stockpiled at which point it's not going to be of any particular use to any one. I don't know how much ore is left in that ore body at Caland. I've already asked the Minister of Natural Resources, and I've asked the company to provide me with that information. Obviously there is some ore remaining that could be mined, but they're not going to mine it and they're not going to pelletize it.

I think those companies have a moral and social obligation to complete the exploitation of ore that can be mined in a safe and reasonably economic way. There isn't a great deal of ore left in that body that can be got at in economic terms, but there are a few hundred thousand tons; I don't know how much exactly.

It is not going to be mined, it is not going to be economic for Steep Rock, say, to move in there and mine it. They came to that conclusion before. It is not going to be feasible or economic for any other company to come in and mine. Surely, for what is involved, it should be a policy of the Ontario government to say to these companies: "Look, there is very little left; you mine it, you pelletize it and you stockpile it, or you sell it to somebody else, but you don't leave it in the ground where it is never going to be of any use to anybody." You give the community and the people at least a few more months grace.

I appreciate the problems of markets and everything else, but surely these companies have to take some of the bad with all the good they have had in the use of that resource. I say to the Treasurer, and I would hope he would agree with me, there should be a policy of this sort by this government, and it should be enunciated now.

For instance, I hope that the Treasurer or the Minister of Natural Resources has been in touch with Inland Steel and brought to bear all the moral persuasion at least—if the government is not prepared to do it legislatively—to ensure they carry out that mining to the very end of the ore body that is there.

Hon. F. S. Miller: Knowing and respecting the intelligence of my colleague, he realizes the complexity of the issue. Companies are made up of managers who have a very real social conscience, even if we like to paint them otherwise.

I met, and the honourable member met, the manager of that company. I believe he was down with the group talking about the future of his community the other day. They live with human beings who work with them, and they form the same kinds of relationships we do. Yet we have seen a number of communities throughout Ontario, almost all with iron mines in the last while, face that kind of matter where a mine has been left.

It is not just a question asked here. In the United States at this time there are steel producers closing down in a whole raft of places. A good deal of that is because the steel industry in the United States is not as efficient as the steel industry of Canada or the steel industry of Japan, in particular, and to some degree that of Germany. I won't get into the reasons for it; interestingly enough, a part of it is because it is the oldest. The parallel in Canada was the pulp and paper industry. Our pulp and paper industry was there first; therefore, when it came time to get into a tough market, people with new mills, like those in the southern United States, obviously had the advantage of better technology than we did.

The Americans were there first with their steel mills. They didn't go through a war that saw a good number of their plants obliterated. They ended up, therefore with more antiquated mills than some of the competitors who started, almost from scratch, after a war or as their countries developed.

Mr. Peterson: Where did you acquire this global view? They really have cleaned up the kid from Bracebridge.

Hon. F. S. Miller: Yes, they have. My friend forgets my engineering background starts coming through once in a while.

Mr. Peterson: I liked you better when you were turning back odometers.

Hon. F. S. Miller: I called them speedometers. An odometer, I thought, was something dealt with on those television commercials.

[5:15]

What I am trying to say is that when a company stops taking out a resource such as

ore, it is generally because market conditions have forced that. The idea that we can somehow force them to produce it at a loss is not realistic.

We tried quite hard with Marmora, because the ground conditions were almost exactly what the member was describing. It was a predictable end but it came perhaps a year or a year and a half in advance of the predictable end of commercial grade ore. There was a cessation of activities because of lack of demand for the particular ore by the first pelletizing plant ever made in North America to produce a pellet that was only made for a specific plant and no longer needed there.

We tried the product in two or three other mills, but it wouldn't work. The cost of making the pelletizing equipment adaptable to other companies' mills was prohibitive. We simply couldn't do it. Therefore, we had a company maintain a pelletizing operation for a period of time, knowing full well they would never use the pellets, to try to keep their men working until such time as the mandatory time periods ran through. They could have paid them and told them to go home, but they at least brought the stuff up and went through the motions.

Funnily enough, I recall very clearly the day the people from Marmora came in to talk to the committee. I remember the chief of the union saying: "If you expect me to come here and run down the company I have worked for for the last 35 years, you are totally wrong. I will say to them that they treated us fairly. They can leave this community with their heads high. They have left most of the workers in a fair position."

For a man heading a union facing a plant closure, I thought that was as genuine and straightforward a statement as I had ever heard. Some members may have been there the day he said that. It was kind of a man-bites-dog comment, because in this world, where we are so used to management and labour traditionally saying each other is totally incompetent, it was a rare display of unanimity and realization that the company had done all it could.

I don't know what applied in Caland. I would like to hear more of the details. I am sure my colleague the Minister of Natural Resources is aware as to whether Caland has or has not acted as a good corporate citizen or taken the shortest possible route out. That is the kind of thing one needs to know before one comes down in judgement on them. I would assume the member knows whether they have or haven't been, and perhaps he could enlighten me.

Mr. T. P. Reid: I won't spend too much more of the Treasurer's time, but I will say that Nat Scott, the manager, and the management generally of that company have been very good and very community-minded. They have done their best to ensure that the mine operates as long as possible. They are very concerned and always have been. They are very involved in the community, as the Treasurer says. It is very unfortunate this has happened but the problem is that it is not their decision. Their own press release indicated the decision was made in Chicago.

I really believe there is a difference between a mine shutting down or an industry shutting down for a while because of lack of demand and then being in a position to be able to start again when demand comes back or the economy comes back. But we are not dealing with a simple case of demand rising and falling, a fluctuation. We are talking about the ordinary business cycle. We are talking about something going out of business and out of operation prematurely and never coming back into business in the future, because what is going to be there is not going to be economic for anybody to mine. I see a very distinct difference there. However, we will wait and see what the Minister of Natural Resources says in regard to what ore is there.

I want to leave one other thought with the Treasurer because of his stint as Minister of Natural Resources, because of his position as Treasurer and because of his own personal interest—perhaps hobby now, if nothing else—in the tourist business in the Muskokas.

I find it absolutely ludicrous and fatuous that his colleague the Minister of Industry and Tourism (Mr. Grossman) should get up in this Legislature and go around the province—he was in Sault Ste. Marie last week—handing out Ontario taxpayers' money to the tourist industry, saying, "Expand your facilities; build new plants; build new swimming pools; tennis courts; build new lodges for fishing and hunting," when, at the same time, that government over there allows complete and free access to crown lands in Ontario, for up to 21 days, to anybody who comes across the border.

The situation is simply this: People from Chicago or Wisconsin or, if one likes, Germany—I think somebody mentioned we were trying to get people from Europe—can come here and buy a fishing licence, or maybe a hunting licence. They don't even have to do that if they don't bother fishing. They can camp on crown land anywhere in northern Ontario for nothing, for free.

My friend from London Centre (Mr. Peterson) can put a $1-million lodge on a beautiful lake—on what likely the Treasurer has—and 10 American campers can park right on his boundary line, if it's crown land, set up their tents or trailers and squat there for 21 days at no cost to themselves. It's crazy; it would be absolutely nuts to compete with that kind of thing.

The minister doesn't have that problem in Muskoka, because there is hardly any crown land around there. He has all the goodies he bought a long time ago, all the good crown land. But in northern Ontario—

Hon. F. S. Miller: Ninety-six per cent is mine; four per cent is crown land.

Mr. T. P. Reid: And 96 per cent of the minister's is probably 98 per cent of the bank's, but we won't go into that.

The point is simply this: I cannot understand why we in Ontario are giving away one of the greatest resources we have, the thing that attracts people to our province. The reason for the tourist business, the reason we spend millions of dollars advertising, is to get tourists here and then to part them with as much of that green stuff as possible.

Hon. F. S. Miller: Never would have thought it.

Mr. T. P. Reid: Well, I think the minister is pretty handy at doing that from what I understand.

The point is simply this: We have these natural resources that we are giving away. Would the minister not agree with me that it makes economic sense, as well as good sense from the point of view of conservation of our resources, that foreign tourists to Ontario be required to stay at licensed tourist resorts, at motels, at hotels, at licensed tourist parks or at provincial parks? Then we are extracting the maximum amount of dollars from them. I mean, it's ridiculous otherwise. There are very few jurisdictions in the United States where people can take their camper trailer, their boat and motor, just pull up anywhere, throw in their boat, fish all they want, camp on the shore and have a lively time without somebody saying, "Excuse me, but there is a $5 or a $10 charge," or whatever it happens to be.

We have been giving this away for years. When are we going to stop? The minister well knows that tourism is our second largest business. Imagine what it would be like if we weren't in competition or if in northern Ontario the people in the business weren't in competition with the Ontario government, which is providing this for nothing.

I am sure the Treasurer is interested in saving money. For the amount of garbage left in the bush—and I don't blame only the tourists—we are spending, if I recall the figures, $5 million a year, or some ridiculous figure, on picking up garbage in the bush.

We could save on conservation measures, because the way it is now, northern Ontario is two thirds the size of the province, but we have one conservation officer for about every 100 square miles, and that's being very generous. So they can't possibly control fishing limits, illegal hunting and all the rest of it. It is the bread and butter of the tourist industry in northern Ontario. If they were required to stay in licensed premises of some kind, the conservation officers could make swings around those places and check their catch or their bag of game to see what they have. Surely that makes sense.

NOTOA passed a resolution, last year, I believe—I think it was their second or third major resolution dealing with the use of crown land. I cannot fathom why the government refuses to deal with it. I would think that the Treasurer, because of the business he's in, would see the validity of it. I would think the Treasurer could also see the somewhat hypocritical stance of the government's saying, "Invest in the tourist business," when it is running a free show next door. It just doesn't make sense. I put that to the Treasurer. Perhaps he would like to comment on that.

Hon. F. S. Miller: It's a discussion that's much easier to have than to solve. It was a topic of great interest at each NOTOA meeting I attended. The NOTOA people don't make the differentiation most days of the week between Americans and Canadians using crown land. The access to crown land is so easy, and for Canadians it is taken as a right. I am not about to argue whether it is or isn't a right. In fact, the policing of it is a monstrous task. You could have conservation officers almost equal to the number of tourists, and you wouldn't necessarily prevent it.

The honourable member knows they have been working hard, attempting to get access points to crown land and attempting to bring some order. I have always argued that a good many of the kinds of facilities provided by the NOTOA operators simply aren't competing with anyone who wants to rough it. Most of the NOTOA operators are providing comfort as well as a location, in many cases, on crown land. I think the member would have to agree that a great many NOTOA

operators are on leased crown land throughout northwestern Ontario.

Mr. T. P. Reid: What does that have to do with it?

Hon. F. S. Miller: Well, it is a use of crown land.

Mr. T. P. Reid: I am not saying nobody should use it.

Hon. F. S. Miller: No. It's an extremely difficult thing to control. Incidentally, I get letters very often. I don't recall ever getting any from the honourable member when I was Minister of Natural Resources, but that doesn't mean I didn't.

I am arguing the other side of the coin. They would argue vehemently that the Ministry of Natural Resources is removing an illegal occupation of crown land—somebody's hunt camp, or somebody's cabin. The member for Nickel Belt (Mr. Laughren) has run into these, without question. They have argued that we have prevented fly-in operators from having a site because somebody else has the site on the lake.

I would say 85 per cent of the stuff that reached my desk was not arguing that there was too easy access, but that we were prohibiting or attempting to manage access. I tell the honourable member, the chaps in Natural Resources would dearly love to have that problem solved. It is probably something that the Minister of Natural Resources must argue.

I will say one thing, and this will probably raise the ire of both honourable members, although I hope only of one. The first thing I did when I became Minister of Natural Resources was raise the amount the province charged for its own camp sites. The reason I did that is based on the very argument the member is putting. Why would a private operator provide the camp sites—they outnumber ours about three to one, I think—that are needed in Ontario if the Ontario government is running them at 50 per cent of his cost?

Mr. T. P. Reid: The logical extension is to do away with the free use of crown land.

Hon. F. S Miller: I don't really disagree with the member. I simply tell him that no one has found a way to do it.

[5:30]

Mr. Laughren: Mr. Chairman, I would like to talk to the Treasurer about a matter which I briefly referred to before, namely, the whole government procurement program for Ontario. I hope the Treasurer will see it not in the way the Minister of Industry and Tourism saw it in his estimates when I raised it with him a week or so ago. He seemed to think the purpose of the government procurement program was to cost the taxpayers more money in the purchase of goods governments bought. What an outrageous assumption and argument for him to have used.

I am hoping the Treasurer understands a government procurement program has a much broader goal than that. It is part of a package of industrial strategy—and I am sorry, that is the first time I have used that phrase since the estimates started. It is part of an industrial strategy to rebuild particular sectors and to encourage Canadian industry. The government policy in Ontario is lacking. Indeed, it is very sad.

I was doing some background work on government procurement and some of the policies one can implement and I came across a report prepared for the department of communications, national telecommunications branch, industrial resources division of the Department of Industry, Trade and Commerce and for the Ministry of State for Science and Technology. This is dated June 1978. The purpose of the report is "an economic justification for payment of a procurement premium." That study selected a particular sector, if the Treasurer isn't aware of it, and they picked communications equipment. This is what they said in their executive summary:

"In this study, the objective is to encourage Canadian domestic industry and the method is to purchase its products even though the prices may be higher than those of imported products. The study focuses on the extent to which the government is justified, on economic grounds, in paying a higher price for a Canadian-produced commodity. More particularly, the study develops a method of computing just how much extra the government should be willing to pay for a Canadian commodity. This is based on identification of and, as far as possible, quantification of the benefits and costs associated with such a purchase under current economic conditions."

They use communications equipment partly because it is an advanced technology and there is a high degree of labour content in it as well. That was the sector they picked. They concluded that if all of the ingredients were there, everything fit in—a high degree of labour content, a high technology component, a regional aspect, everything that would benefit the country—that the government could actually provide a 76 per cent advantage, or pay 76 per cent more for a Cana-

dian product and still have net benefits to Canada.

Nobody is saying to the Treasurer that means we have a procurement policy that goes from the present 10 per cent level up to 76 per cent. That is not what I am saying. I am saying the present procurement policy of the Ontario government is inadequate and 10 per cent is simply not a figure you can justify.

They go further to say in their conclusions: "Current procurement policies and practices of the Canadian government were presented and the domestic practices were demonstrably more open than foreign ones. Since domestic businessmen are thwarted when they try to sell in foreign markets, they begin to question why foreign suppliers have relatively free access here.

"Although the current 10 per cent premium appears to be ineffective in changing purchases from foreign to domestic sources, it has some public relations value. The figure of 10 per cent appears to have been arbitrarily chosen so we were drawn to making a better estimate of a premium justified on economic grounds which might be more effective."

What they are saying is the 10 per cent level is arbitrary and it is not a sophisticated analysis of what a good procurement policy is all about.

I go on and I quote: "The premium is justified using a benefit-cost approach. The general component based on taking up slack in the economy is applicable to the whole class of communications procurements. This general premium was evaluated at 76 per cent of the import or duty-free price in the case of a straight choice between a domestic and an imported good and expression for the percentage premium was obtained which permitted selection when faced with many different goods with different fractions of domestic content."

I only raise that study with the Treasurer to indicate to him the present procurement policy is not something this government should hang its hat on. There is nothing magical about the 10 per cent figure. It is just an arbitrary figure, just as any other figure would be an arbitrary one. I would like to raise a couple of specific issues. One we've been through a number of times in this chamber. When the Peel region put out tenders for a waste recovery plant, the only bidder was Grumman Ecosystems of New York. Three Canadian companies could have bid on that but didn't. The reason they didn't was the particularly difficult specifications and so forth. They felt they were behind the eightball to start.

Even though the Ministry of the Environment is putting $10 million into this project, the government sat back and watched this happen. It didn't go to the industry, select the three companies that were capable of working on this and say to them: "We'll work with you. We'll form a consortium with you and help you prepare a bid for this project."

Waste recovery is a natural for the future. It's high technology; it's something that is not in place in this country, let alone the province. It would have given the domestic industry a foothold in that very important industry for the future, but the government sat back and did absolutely nothing. Despite all sorts of proddings from this side of the House, it did absolutely nothing. That's intolerable.

The other issue I'd like to raise has also been raised in this House. It has to do with Microfilm Recording Company Limited, MRC for short. It's a company that produces microfilm readers. Established in 1949, they now employ 22 people in the plant and eight in putting documents on microfilm. The research and development for the product is done here. Aluminum is the key material and that is purchased from Alcan. The lens is bought in Japan but the other component parts are supplied from Canadian firms. They manufacture 6,000 readers a year.

To give you an example of what can happen with a Canadian company like that, last year they learned that the John Deere company in the United States was going to make a large order for Bell and Howell microfilm readers. It was for about 2,500 readers. The company in the States had decided to buy an extra 800 from the John Deere subsidiary here in Canada.

MRC talked to the Canadian subsidiary of John Deere and showed them they could save $90,000 if they bought from MRC here in Ontario, and they did. But do you see the problem? It's a beautiful example of what happens in a branch plant economy, which is a problem that the Treasurer chooses to ignore. They simply are an extension of policies there. That's one side of the problem.

MRC found out the federal government buys a couple of thousand of these readers every year. Last year, according to them, the federal government spent $998,000 on readers of which MRC, the only Canadian producer, received orders worth $175. Last fall they sent a letter to the federal government and to the provincial government trying to get a response from them.

Actually, they were quite pleased with the initial response from this government. They

were given someone to contact in each of the ministries in Ontario. MRC wrote a letter to each one of them. Do you know what? They received no acknowledgement from the individual ministries. In 1978, they bid on tenders put out by the Ministry of Transportation and Communications and the Ministry of Revenue. They lost the bids.

They could live with losing a bid but they didn't even get the courtesy of a letter giving a reason why they had lost the bid. Nobody even bothered to tell them, "We're sorry you lost it." They had to phone in for the results of the tender. You know what they were told? They were told, though not in writing, they were turned down because the company was unknown. Isn't that great? Isn't that a great procurement policy for the Ontario government? That's not how you rebuild the manufacturing sector in this country.

Anyway, the problem is the Ontario government has a tendering policy that's unacceptable. It has a tendering list. If you're not on that list, that's too bad.

Hon. F. S. Miller: That is not so.

Mr. Laughren: That's exactly what happened. They're not on the tendering list because they're unknown.

I would like to know how you become known. They got on two of the tendering lists; they got on the Treasury's and Attorney General's. I've made the Treasurer's day, he didn't even know that, but they're on the list.

The trouble is that when the tenders go out, do you know what they say? There's one from the Ministry of the Environment; it is on the call for tenders, I quote: "To provide price and delivery for equipment as follows, or similar substitute, Bell and Howell computer microfiche reader." Well, there you are. Would the Treasurer tell us what he thinks about using as the example a Bell and Howell reader, rather than one made here in Canada?

Here is another one, Government Services; the call for tender for three microfiche readers and these are the specs: "Electrical standard 120 volt 50/60 cycle AC, Micron 78 microfiche reader or approved equivalent." That's an American manufactured reader used as a model again; so guess who has the inside track? The one that is listed, obviously.

Here's another one: "Micron 785 microfiche reader, or approved equivalent." These are actual quotations from the ministries over there. It has been raised in this chamber and you never do anything about it. You tell me how that makes sense as a government procurement policy when, first of all, you don't put the Canadian company on the tendering list, the automatic blanket or tendering lists; and second, you allow your own ministries to use a foreign produced or manufactured product as the standard by which all others are measured. What kind of procurement policy is that?

It's bad enough that your 10 per cent policy isn't working, it's worse when you exacerbate the problem. So I would sure like to hear the Treasurer's response on those two examples: the Peel region waste recovery plant and on the Microfilm Recording Company's attempts to sell to its own government.

Hon. F. S. Miller: On the Peel region, I am not qualified to give you an answer. I understood we discussed it already in these estimates. The Minister of the Environment did answer your question; I think I should leave the answer with him.

On the other matter I have no idea what the other side of the story is. If the facts are as you stated, obviously some effort needs to be taken on our part to make sure the Canadian company is named and is accepted. I will be glad to have my colleagues check on that to see whether we can't help.

We have been doing just the opposite, where it came to trying to get acceptance of Canadian companies through the EDF program. I know for a fact MIT has worked very hard to make sure that if a part or a piece of machinery was available within Canada, unknown to the potential buyer, at least they acted as a broker for bringing the companies together so the sales people for the Canadian vendor would have a chance to display their equipment.

Over the years I acted as a salesman, very often I ran into specifications that frustrated me. It's easy to say they have some international intrigue. Most of the times I found there was better salesmanship. I hate to admit it.

When I sold paints I was forever running into one company, specified by almost every architect in this province. I would go in with my company that had been Canadian, in Brantford, since time began and they would say, "We know this company. They call on us regularly. We've got their colour codes, we've got their books, we know what they mean when they say this and we know what they mean when they say that."

So I have to admit that's one company—and it always said "so-and-so or equivalent" —that had done an excellent sales job. It was an American company, although every bit of the product that was used here was made

in Canada. As I recall, we import virtually no paint across the border. We export a wee bit, but we don't import an awful lot into Canada, if my stats are right, simply because it's a product that doesn't justify transporting too far and is relatively easily made. [5:45]

Now that I'm no longer in the paint business—

Mr. Laughren: You painted used cars?

Hon. F. S. Miller: I painted used cars, yes.

Mr. Worton: I bet you could sell it now, Frank.

Hon. F. S. Miller: I could sell it now, from my new position.

I would have to say that while I chewed away at the company and wondered why they got all the business, they were probably doing a better job than I was and I hated to admit it as long as I was out there.

Mr. Laughren: Has the minister missed the point entirely on what I'm trying to say to him?

Hon. F. S. Miller: I'm a bit thick.

Mr. Laughren: No, no. I didn't say you were thick. I said I think you missed the point. Why you missed the point is maybe because you're thick, but I didn't say that.

The point is, only his ministry and the Attorney General's have put this company on its tender blanket list. Nobody else has.

Hon. F. S. Miller: I told you I'm going to check. I'm going to check.

Mr. Laughren: I didn't hear him say that.

Hon. F. S. Miller: That's because you're a bit thick.

Mr. Conway: I understand these estimates are being dealt with in a more or less general fashion.

Hon. F. S. Miller: Gentlemanly too up until now.

Mr. Conway: And in a gentlemanly fashion. I thought I would accept the invitation of my friend from London Centre to make a few general observations about the economic policies of the government.

Hon. F. S. Miller: Stop at two minutes to six. I have a dinner in Ottawa.

Mr. Conway: I would be happy to stop at two minutes to six.

Hon. F. S. Miller: I have to be in Ottawa.

Mr. Conway: You're due in Ottawa, are you?

Hon. F. S. Miller: I'm due in Ottawa for supper.

Mr. Conway: That's perhaps a good point at which to begin my remarks because it is the Ottawa connection that is of some interest to me with respect to the economic policy of this government. With 10 or so minutes I shall try to say a few things in the federal-provincial area with respect to economic policy and make one or two comments on the eastern Ontario situation.

I must say, as a private member I have been somewhat dismayed to receive so little mail by way of press releases and speech-giving from the incumbent of the Treasurer's chair relative to what we were accustomed to in the halcyon days of the Duke of Kent.

Mr. Laughren: Are you complaining about it?

Mr. Conway: I'm complaining, yes, because I used to read—

Hon. F. S. Miller: That's because I give speeches without a script.

Mr. Conway: I can tell the Treasurer that I, for one, as a nonfinancial person, used to read the utterances of the previous Treasurer, such as they were, with a great deal of interest. My involvement with health matters really made me more interested than I had been earlier. I was somewhat chagrined to find so little in my mail box from this Treasurer. It may be he speaks off the cuff and with much less preparation than did his predecessor.

I was talking to a friend of mine who works in the federal administration in Ottawa not too long ago and she said, as only an economist can say about these matters, it was really interesting now working for Sinclair Stevens because one got the distinct impression that Ontario counted for ever so much less. She said, "When Darcy used to come to town we had a feeling that next to the federal Minister of Finance, the Ontario Treasurer counted"—as my leader has said repeatedly—"as the second most important financial spokesman in the country." From where I sit, that certainly seems to be the case in so far as this Treasurer has not undertaken to maintain the same kind of profile and the same kind of leadership position his immediate predecessor seems to enjoy.

In that connection, I must say it disturbs me no little bit to see Ontario's position in the general leadership of economic and financial policy in the state it is today. I did, as I know many members did, watch the first ministers' conference of some days ago when the oil pricing question was being discussed. I was alarmed to see the results of that particular negotiation.

I just want to say one thing to the Treasurer, because I see his role as being very compatible with the first minister's in these matters.

There could be no question the Premier of this province is right when he says the oil-pricing arrangement presently being discussed is the vital economic issue, not only for the country but for the federalism that keeps us together. In response to the federal position, the Ontario Premier is reported to have said that Joe Clark's energy position threatens the very economic fabric of Confederation. I agree wholeheartedly. If the deal being talked of today in Ottawa between Messrs. Clark, Hnatyshyn, Leitch, Lougheed and, to a lesser degree, Blakeney, is carried forward, as was suggested in the Toronto Star last week, the country is in a very serious condition.

I have only one political response to the Treasurer and to the Premier. What we're getting from Mr. Clark and Mr. Hnatyshyn is nothing which could not have been predicted, given the various speeches they made before and during the recent federal election contest. What I must say to this Treasurer and certainly to his first minister is really only one basic political thing: Either this government and its leadership in particular supported their federal Conservative friends without knowing where they stood on the pre-eminent issue of the day, in which case they are to be indicted politically and, hopefully, immediately. Or, more seriously, the Premier and to a lesser degree, but not to be absolved, the Treasurer, campaigned actively for their federal friends, knowing what they were going to do with oil pricing, but saying nothing about it. That too, is very condemnable.

Mr. Laughren: You campaigned for the Liberals without knowing—

Mr. Conway: I did know exactly where my federal friends stood on the question of oil pricing. I must say I did not get the impression that our friends across the way had the same appreciation. They campaigned actively.

Interjection.

Mr. Conway: I'm glad to see my friend the member for Durham West, whose fulminations before the resources committee some months ago about a veiled War Measures Act are not being repeated now, as my friend from Huron-Middlesex (Mr. Riddell) said when that "very veiled" War Measures Act—to use his phrase—was proclaimed by his friends in Ottawa. I just want to say that you can't have it both ways. I certainly expect to make some political remarks in this connection over the next few weeks and months.

I have one final point in that regard. The Premier and the Treasurer make the point very well that the Ontario position is one of clarity and, to some degree, it can be understood now from the various presentations made by the Minister of Energy and the Premier. They are looking about for support in that particular regard.

One thing I have not heard from the Treasurer or from the Premier is an undertaking to confront personally the 58 federal Conservative members representing Ontario in the Clark caucus in Ottawa, whose silence on this matter of vital national interest has been, to say the least, stunning and consistent. I must say I would be very appreciative if the Treasurer would give an undertaking to go to Ottawa, or Peterborough or wherever, to meet with the 58 federal Tories and to elicit from them a commitment of where they see the Ontario interest. It would be useful knowing whether or not the Premier and his cabinet can get an agreement from their 58 friends representing Ontario in Ottawa in this connection. Do they—Messrs. Darling, Finnell and 56 others—agree with the Ontario position as stated by Messrs. Miller, Davis and Welch, et al? Do they? If so, let's hear it. If they don't, let's hear that as well. I must observe that their silence has been very noticeable from where I stand.

In talking about Ottawa, and I'm speaking now from the point of view of a member for eastern Ontario, does the Treasurer remember—as I know my colleagues from London Centre, Essex North and Wellington South will—that Joe Clark and Bill Davis campaigned for the federal Tory cause, which was "to get Canada moving again"?

Mr. Ruston: It's in reverse.

Mr. Conway: Do you know what we found in eastern Ontario as to this federal administration's policy with respect to getting Canada moving again? The first prize we won in their new lottery was to hear from the federal Minister of Employment and Immigration, Mr. Atkey, that Canada winter works would go forward, but Ontario would be stripped of its previous place in that program.

In that program, $22.35 million was allocated to this province last winter to alleviate the very serious seasonal unemployment that afflicts not only areas like my own county of Renfrew, but many other counties and districts in this province. In our area, we have received $150,000 for the county generally and that was appreciated

because it did alleviate the double-digit unemployment of the area I represent.

I haven't heard any comment from this Treasurer in that connection. I would like to know, before these estimates are concluded what, if any, replacement strategies he has to supply programs for areas now devoid of moneys which they previously obtained through the Canada winter works program. Canada is, indeed, on the move again but, unfortunately, if we are to judge from some of this federal administration's commitment to the Ontario jurisdiction, the move is unhappily downward.

Finally, Mr. Chairman, I want to—

Hon. F. S. Miller: That is the second, "Finally."

Mr. Conway: I don't think a 12- or 14-minute contribution from a private member to these ongoing debates is overdone. I just want to conclude by suggesting—

Mr. Laughren: A private member; are you a member of the Liberal Party or aren't you?

Mr. Conway: A private member in these debates, and I know my friend from Nickel Belt has a much greater status than I can ever hope to enjoy.

Mr. Laughren: No, no.

Mr. Conway: Last Wednesday, the government of Ontario announced at long last that it was going to name the new chairman for the Renfrew county task force on economic development, a replacement appointment that has been literally begged for by various municipal leaders and county councils over these past months.

It is certainly demeaning, because we were offered a strategy back in the McKeough days of 1976. It is a nice document that represents the umpteenth report for what this government is going to do to alleviate the serious and structural economic problems that afflict an area such as the one that I represent.

Unfortunately, we still do not have anything but a press release and I know my friend from Nickel Belt will share my concern and abhorrence about this. The Minister of Industry and Tourism says that he will give us a new chairman, but he wants us to know we had better not get our hopes up too high because the Treasurer and the government of Ontario are in a period of restraint and we had better not expect too much; that the Renfrew county economic development scheme probably will not take place over anything less than quite a few years. In other words, "Out there in places like Arnprior and Eganville and Cobden and elsewhere, we really think you are second-rate." They don't have the courtesy to come forward with not only a replacement for the late chairman at an earlier time, but a clear indication of what kinds of strategies this provincial government is going to offer the people of Renfrew county.

What does the Treasurer have in so far as immediate and intermediate economic priorities that he is prepared to discuss and prepared to fund? I am sick and tired of studies piled up on studies piled on reports. The time has long since passed for some concrete commitment to the people of Renfrew county, a commitment that will deal with the double-digit unemployment in many of those communities, a commitment which I think has been earned by their in many ways ongoing political commitment to this particular government party. I would certainly like to hear from both the Minister of Treasury and his colleague in Industry and Tourism as to what specific commitments—the funding arrangements and the strategies—are going to be offered to the people I represent, who have, unfortunately, been fed a diet of neglect for too long. I think the time has come for some concrete action and I await the Treasurer's response to that particular concern.

On motion by Hon. Mr. Wells, the committee of supply reported progress.

The House recessed at 6:02 p.m.

APPENDIX

(See page 5061)

ANSWER TO QUESTION ON NOTICE PAPER

MINISTRY ADVERTISING

357. Mr. Makarchuk: 1. What was the total advertising budget for all of the ministries of the government of the province of Ontario for the year 1978-79? 2. What percentage of the total advertising budget was allocated to the ethnic press? 3. What criteria were used for the allocation of advertising budgets to the various ethnic publications and media? 4. What advertising agencies deal with the ethnic media? 5. What percentage of ethnic media advertising is done by Foster Advertising? (Tabled November 22, 1979.)

Hon. Mr. Grossman: 1. The total advertising budget for all of the ministries of the government, as reported by the agency of record for the fiscal year April 1, 1978, to March 31, 1979, was $12,691,566.*

2. The percentage of the total advertising budget allocated to the ethnic press was 3.2 per cent, ethnic television 0.7 per cent, and ethnic radio 1.6 per cent.

3. See answer to question 310 [page 4083, November 1, 1979].

4. All enfranchised advertising agencies listed in Canadian Advertising Rates and Data (CARD) have the capability of dealing with the ethnic media as part of their service to their clients.

5. As agency of record for the government of Ontario, Foster Advertising is responsible for purchasing all ethnic media advertising on behalf of ministries, boards and commissions of the government, based on each ministry's approved media selection.

Foster Advertising is also responsible for co-ordinating and executing the Government Information/Communication Program (GI/CP) and "Ontario 20" ethnic advertising program through the Ministry of Industry and Tourism which accounts for 56 per cent of the Ontario government's total ethnic press expenditures, 97 per cent of total ethnic television expenditures, and 9.4 per cent of total ethnic radio expenditures for the fiscal year 1978-79.

*This figure includes advertising expenditures of the Ontario Lottery Corporation of $6,205,315.

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No. 125

Legislature of Ontario Debates

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Third Session, 31st Parliament
Monday, December 3, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

CHILD WELFARE ACT

Hon. Mr. Norton moved second reading of Bill 162, An Act to amend the Child Welfare Act, 1978.

Hon. Mr. Norton: Mr. Speaker, my opening remarks on the bill before us will be very brief. I may have some response to the honourable members opposite when they have completed their remarks.

Basically the amendments before the House do not result in any change in principle from the amending act proclaimed in June of this year. They arise rather out of some issues that resulted from judicial interpretation of some of the sections included in the earlier amendments and that have given rise to some difficulty and delays as a result. It is our intention to introduce these amendments primarily with a view to tightening up in some cases the definitions in the act or certain sections so it more clearly reflects the original intention and eliminates some of the problems that have resulted from judicial interpretation.

I suppose the one most commonly known to the honourable members is the one relating to the definition of a parent and the difficulties created with respect to notification of putative fathers. I think perhaps, as the honourable members will recognize, that is addressed specifically here along with a number of other minor amendments that might well be described as housekeeping.

Mr. Blundy: I have gone over the bill and the explanation for the various amendments being suggested. I agree, as the minister says, there is no change being suggested to change the principle of the bill or the main intent of the bill.

I have discussed several of the amendments with people who are active in the family court and in child welfare cases even in my own constituency and I find they have already had problems with two of the areas of suggested change.

I believe the amendment defining the parent more specifically is certainly a much-needed amendment. That particularly is one in which I have had some personal involvement with a constituent.

I just can't think of any other particular section of the amendments I feel are not reasonable and proper. I would suggest that we support the amendments put forth.

Mr. McClellan: I will try to avoid provoking the bat. I assume it's a Tory bat that has been brought in here to plague and torment us as all Tory things are.

I rise on behalf of our caucus to support Bill 162. I do want to make a few brief remarks. I gather part of the problem that has led to this bill being introduced has been errors or sins of omission or commission in the drafting. We are pleased to approve the necessary drafting changes without any further ado.

I do remain somewhat puzzled as to how on earth the courts could come to some of the interpretations they seem to have come to. I do want to ask a question, even if rhetorically, because one of the amendments deals with the issue of the unified family court. The old Child Welfare Act read, " 'Judge,' unless otherwise indicated, means a provincial judge presiding in a provincial court (family division) or in the unified family court." The ministry has felt it necessary to amend that so that it reads, " 'Judge,' unless otherwise indicated, means a provincial judge presiding in a provincial court (family division) or a judge presiding in the unified family court."

I don't understand how there could be any confusion or ambiguity about that. I hope and pray that kind of confusion or ambiguity about such a basic simple, elementary matter hasn't caused confusion within our family court. Perhaps the minister can clarify that, because if the situation is that there is that kind of discombobulation in reading a simple sentence in the Child Welfare Act, it makes one want to scream.

I may be misunderstanding the situation entirely and I welcome the minister's clarification. I don't understand how section 1(e) in the Child Welfare Act, which was proclaimed last June, could be misinterpreted.

The fact that it's necessary to refer at all in the legislation to the particular circumstance of the particular unified family court in the particular city of Hamilton prompts me to ask the minister how long it is going

to be before the government proceeds with the rest of its reforms to the family court and establishes the unified family court across the province. The question is, when has a pilot project ceased to be a pilot project for this government? The answer seems to be never, that pilot projects remain pilot projects forever and ever, amen. They never make the transition from successful demonstration to implementation on a province-wide basis.

That is why we have to deal with the silly little amendment to section 1(e). The reason is the government hasn't had the foresight or wisdom to proceed to extend the success of the unified family court across the province. Nevertheless, why should we quibble about section 1(e)? We will support the amendment.

The change with respect to a definition of child again is something we are pleased to support because it permits the provision of service to children who have passed their 16th birthday while they are in the care or protection of a children's aid society. That was a matter we had raised when we were doing a clause by clause study of the Child Welfare Act last fall. We had thought we had drafting that covered that contingency. We were pleased to refine the drafting so we could ensure the children who passed their 16th birthday were not cut off service, if that service had been commenced prior to the 16th birthday.

Third, we support the changes with respect to the definition of "parent," although again I would like some understanding from the minister as to the nature of the confusion in interpreting the definition of "parent" under the existing drafting of the new Child Welfare Act. In his background statement dated October 18, 1979—a description of the amendments, and the purpose and explanation of each of the amendments prepared by the children's services division—there is a section that deals with the change in definition of "parent," and it reads:

"The definition as presently drafted has been interpreted to include all biological parents. This has created major problems. For example, agencies are being required to search for and notify all persons who had sexual intercourse with an unwed mother during a possible period of conception, even though the relationship with the mother was very brief."

I don't understand how it is possible to come to that interpretation of "parent" under the old definition of the Child Welfare Act. To the extent it is possible, I would ask the minister if he could elaborate a little bit on particulars of difficulties that have arisen within the family court. Perhaps he can tell us the number of cases that have been put off the rails because of the problem with the definition of "parent" as we had passed it and as we proclaimed in June and illustrate it with some examples.

I find myself mystified as to how it would be possible for the court to take the kind of interpretation that is set out in your background document. Nevertheless, we are pleased to support the definitions that are presented before us tonight.

I understand a number of adoption cases have been held up for prolonged periods of time because of the interpretation taken by judges that the new act requires notification of—who, I am not sure. I gather, from the background statement, that even the putative father who has not acknowledged paternity is required to be notified. That is the basis of my confusion.

I would be concerned if a court could read the Child Welfare Act and come to the conclusion that a putative father who had not acknowledged paternity was required to receive notice, either under a protection hearing or, more importantly, under an adoption hearing. That seems to be bizarre in the extreme. If it is the case that judges are taking that kind of a bizarre interpretation, I would think that would be a matter the minister would want to communicate to the Attorney General (Mr. McMurtry) so he could incorporate the problem in his next training manual.

I don't know whether I am being unnecessarily harsh, but I would like to have some understanding of the precise nature of the difficulty that the definition seems to have been creating. I would like, as well, to know the number of adoption cases that are hanging fire as a result of this apparent necessity to notify anybody who ever had a relationship of any kind whatsoever with the child or the child's mother.

Having said that, I want to say I am particularly pleased that there is a grandfather clause in this act that—is that a bad pun?

[8:15]

Hon. Mr. Norton: That's the extent of it.

Mr. McClellan: There is a transitional clause in section 6 of the bill in front of us that permits the new bill to apply to adoptions initiated since June 15. I think that's a very welcome measure and applaud the ministry for it and express the hope that adoptions hanging fire can be completed as expeditiously as possible when this bill is passed. A number of colleagues have expressed concerns

to me as a result of their own constituency casework about adoptions delayed because of this new, seemingly universal, requirement to notify people prior to the completion of the adoption transactions.

Finally, and a matter of particular concern I had talked about when we were doing clause by clause, I'm pleased to see the amendments to section 5 subsections 2 and 3 that, I hope, make sure the issue of consent is dealt with before an adoption placement is actually made.

Mr. Speaker, the minister will probably recall I had expressed some real concern because of the six-month period in the adoption during which a child is placed with adoptive parents on a trial basis before the adoption is finalized. We want to make sure in our legislation the issue of consent to adoption by the birth parent has been adequately disposed of before a child is actually placed on trial in an adopting home.

We had thought the ministry had given us a drafting that took care of that. We have learned subsequently such is not the case. I can only express the hope that this time we have the right wording. I can't think of anything more damaging to a child or adopting parents than to have an adoption placement made on a trial basis and then discover the consent issue has not been completed or improperly dealt with so, after five months, the child has to be removed from the adopting home and placed back either in a kind of limbo or God knows what.

I don't need to go through any more details. I did just want to comment on those five points. I do want to say something very briefly about adoptions in general because this act does touch on a number of aspects of the adoption process.

We have gone through a major re-examination and re-enactment of the Child Welfare Act and dealt with a number of sections. But one of the sections we did not deal with as a legislature and one of the sections not dealt with substantially as a ministry was the adoption section. I want to suggest to the minister before much more time passes, and certainly before he begins any detailed work on the omnibus children's bill, this ministry has an obligation to undertake a major systematic review of Ontario's adoption program.

I have a sense of unease about our adoption program because I don't think we know very much about it. I don't think we know who is adopted—what kind of children, from what kinds of backgrounds, are placed for adoption. I don't think we know very much about the reasons why children are placed for adoption. I don't think we know very much about what kind of people adopt children. I don't think we know about the success rate of our adoption program. I don't think we know very much about how many adoptions are successful, how many are unsuccessful and what we mean by those terms. I don't think we even know.

I don't think we know how many adoptions break down and what happens to the children where adoptions break down. I could go on and on, but I don't think I need to. The minister probably understands very clearly what I'm talking about. We've been running the adoption program almost—not quite, but almost—let's say semi-consciously. We know there are people who want children. We know there are people who don't appear to be able to keep their children. So the ministry has stepped into this supply-demand equation and has facilitated the movement of children from the supply equation to the demand equation. But I am not sure we know very clearly what it is we are doing.

I would like the ministry to undertake a systematic review, pulling together all of the information we have on file around the province and within the ministry about the nature of our adoption program so we can take a cold, hard look at who is benefiting from adoption and what the disadvantages are, and the success and the failures. Let us understand very clearly what the nature of the exercise is before we get to the stage of being asked to deal with the omnibus children's bill.

I think that would be a useful exercise for the ministry and for the children's services division. I will be prodding the minister from time to time to encourage him to do this.

Mr. Conway: He needs to be prodded.

Mr. McClellan: He needs to be prodded. It is long overdue. I don't think there has ever been this kind of thorough analysis of the program. I repeat, it is long overdue and the minister needs to get to work on it.

I want to make a final comment, which will be even briefer than brief. We have another piece of the Child Welfare Act in front of us dealing with virtually all sections of the act. The problem remains, this ministry does not commit sufficient resources to children's aid societies to permit them to fulfil their responsibilities under the legislation we have passed. We are faced with a government steadfastly refusing to provide our children's aid societies with the budget they need to do the job the law requires them to do.

The minister will probably continue to pretend he has funded them at an adequate level. I will continue to insist, as do virtually all of the children's aid societies and almost

everybody in the children's services field, that the minister is playing a dangerous and unfair game with children's aid societies. It is not tolerable for us to pass laws which increase their burden of responsibilities and at the same time constrain their budgets to levels below the rate of inflation so the purchasing power of their dollar is eroded in real terms.

Mr. Speaker: What section of the bill is that, please?

Mr. McClellan: These are, as I said, my concluding remarks, Mr. Speaker.

Mr. Speaker: Extraneous remarks.

Mr. McClellan: I don't think they were extraneous. The amendments deal with all aspects of the Child Welfare Act and we as legislators have an obligation to ourselves and, as critics, to the government to point out when and where the government is imposing legal obligations, as it does in this statute here in my hand on children's aid societies, without providing them the wherewithal to do their job. This minister has done precisely that to his everlasting shame.

Hon. Mr. Norton: Mr. Speaker, now that I can rise and speak in safety since the member for Bellwoods has apparently put our guest on the curtain to sleep, I will take a few moments to respond specifically.

Mr. McClellan: I put the bat to sleep.

Hon. Mr. Norton: Yes, but you weren't here earlier. He crossed the House. He started out over on that side.

First of all, I would like to express my thanks to the honourable members opposite for their support and co-operation in enabling us to bring in during this session these necessary amendments to the Child Welfare Act. The member for Bellwoods and the member for Sarnia have raised a number of relevant questions about the underlying need for these amendments at this time.

As has been pointed out, the bills were given a great deal of consideration, and very careful scrutiny, especially in committee last fall. We thought at that point we had arrived at a drafting of a bill that would avoid the kinds of difficulties that have subsequently emerged.

In response to the member for Bellwood's specific question relating to the reason for the change in the definition of a judge, I might point out that probably that section is one where we did overlook a drafting error. As the section previously appeared, it defined a judge, unless otherwise indicated, as meaning a provincial judge presiding in the provincial court or in the unified family court. The technicality there is that provincial judges do not sit in the unified family court. I'm not sure that has at this point created any serious problem, but it was something which was spotted after the legislation was passed.

With regard to the member's concern—and I suppose this is really a question that ought more properly to be addressed by the Attorney General—about the timing of the further implementation of the unified family court system across the province, in the absence of the Attorney General, I will simply point out the pilot project the member referred to was established, as I understand it, for a three-year period That three-year period will be expiring in June or July of next year. At least that's my understanding, unless my information is incorrect.

I believe it is fair to say the Attorney General is addressing himself to that. The member might specifically wish to raise that question with him.

Mr. McClellan: So might the minister.

Hon. Mr. Norton: I would simply prefer he answer the question than that I attempt to.

As to the problem that arose with respect to parent, one could go through a whole series of specific examples of the problem that arose there. I guess the simplest explanation of it is that if one looks at the original definition, the definition in the act as passed in June, the definition begins by saying "parent includes." Because of the word "includes," the interpretation that was given to that was that the definition which followed was not exhaustive. It included all parents and the specifics were illustrative rather than exhaustive.

Mr. Conway: Restrictive and exhaustive.

Hon. Mr. Norton: I'm not sure. Does that make sense? If one looks at the present amendment which we're dealing with tonight, it begins "parent means." We're hoping that will eliminate the problem that has given rise to the kind of situation where in one instance, I am led to believe, there has been a case where a mother who was before the court was asked who the father of the child was. She was only able to identify him to the extent it might be one of three persons residing in another province.

There was some suggestion by the judge that all three possible parents would have to be served because, from the definition of parent to include putative fathers, the judge did not feel restricted by the words in the definition which followed the use of the word "includes." So he included all possible or

potential putative fathers. We hope this minor change will eliminate that.

[8:30]

The other kinds of problems that have arisen relate to the question of, for example, the original definition where it says, "a person who is not recognized in law to be the parent of the child but has acknowledged a parental relationship to the child and has voluntarily provided for the child's care and support."

The type of difficulty that arose there, and resulted in the change to limit that or to some acknowledgement, is within the 12-month period prior to the child being before the court for the purpose of adoption in some instances the court felt that if in, for example, the first year of a child's life there had been a partner in the home who had expressed some interest in the child and, for that period of time, has settled intent to treat the child as theirs, even though the relationship might have terminated before the age of one and the child was before the court at age 12, that because there had been an expression of interest and a parent's settled intent in the first year of the child's life, that an effort had to be made to find that individual and to serve him with notice, even though there had been 11 years following when no such interest was demonstrated.

Although, as the member has indicated, last fall we all felt the drafting was clear, the literal interpretation that was applied has resulted in our recognizing some weaknesses in the drafting.

The member asked specifically whether we had any idea as to how many cases of adoption had been delayed by this. Our current estimate is it is in excess of 200. I can't give him a specific figure down to the last one, but it's a serious situation. That's one of the reasons why I'm so appreciative of the member's co-operation in getting these amendments through.

Regarding the member's concluding remarks with respect to adoption generally and the concerns he raised with respect to the adoption system in the province, first of all, I would indicate we are looking at adoption as a whole with a view to the development of the omnibus bill. I would like to assure the member we also have some research under way on adoption, particularly relating to issues like adoption breakdown. I would be pleased to have my staff share with him a summary of that research if that might assist. If he has further suggestions or concern we might incorporate in those considerations, we'd be glad to do that, or at least to discuss those with him.

I think that addresses most of the concerns that have been raised by the members. That's all I have to add.

Motion agreed to.

Ordered for third reading.

EDUCATION AMENDMENT ACT

Hon. Miss Stephenson moved second reading of Bill 170, An Act to amend the Education Act, 1974.

Mr. Speaker: Does the honourable minister have an opening comment?

Hon. Miss Stephenson: No.

Mrs. Campbell: No?

Mr. Sweeney: I have no difficulty with the general principle of the bill. However, there are a couple of issues and questions which I would like to raise before we give it full approval for second reading.

Section 1 of the bill is certainly acceptable because it gives school boards greater flexibility as to where they may invest their money. I have serious doubts about whether they're going to have very much surplus money to invest anyway, so I don't think we need to be overly concerned about that.

Section 2 raises a question which is not described in the descriptive material given to us ahead of time. If I may draw it to the minister's attention, perhaps she can tell me why.

Under the existing section 205(1)(d) of the Education Act there is a reference in section 1(1)(33)(vii) to funds. It refers to payments or contributions for past service pensions to a pension plan for officers and other employees of the board. For some reason I don't understand, it has been eliminated from this particular bill. It has just been left out, and there is nothing to explain why it has been left out. I assume there has to be some reason for it. When the minister makes her comments afterwards, perhaps she can explain why that has been done because I can't see any reason for its having been done.

I have a question with respect to section 2. Since the main reason for the change is that the government is going to be getting out of the debenture and mortgage business; since up until this particular point in time the ministry and the government have been buying debentures from the school boards through the Ontario Education Capital Aid Corporation; and since there was some indication from the Treasurer (Mr. F. S. Miller) when the budget was brought down that the government will be selling some of its mortgages and debentures, I would ask the

minister whether or not this also means those debentures held by the ministry and the government from the Ontario Education Capital Aid Corporation will also be sold and, if so, what impact this might have upon school boards.

With respect to section 3, the point there is to change the funding balance between residential and commercial from 90 per cent down to 85 per cent. I would gather the implication which necessarily follows is that if the same amount of money is going to be raised locally, then the commercial tax source is going to have to pick up a greater portion of the load. That is the only implication that flows from that, quite obviously. The question which then flows from that is what are the implications for commercial taxpayers with respect to their share of the education tax? I would imagine the minister and the government have thought that one through as well and I wish they would share it with me.

The last point I would make is I notice most of the sections of this bill are to bring it into line with provisions in the Municipal Act. I would ask the minister why she didn't take this opportunity also to bring into line with the Municipal Act the citizenship requirement for school trustees versus municipal councillors.

The minister is probably aware of the fact that recently in the region of Durham a school trustee from the separate board and one from the public board had to vacate their seats because they were British subjects rather than Canadian citizens. Apparently, the confusion arose because when they checked with the municipal clerk he said the same provision applied in the Municipal Act and the Education Act, and of course that is not true. Somewhere along the line if we are going through the process of trying to make the Education Act and the Municipal Act run parallel, then this would have been an obvious opportunity to do that as well.

I realize it is not the Education Act that has to be changed, it is the Municipal Act that has to be changed. The point I am making is if the minister would use her influence with her colleague in cabinet to get that change in the Municipal Act, we would have them parallel.

Mr. Bounsall: Mr. Speaker, this caucus supports wholeheartedly sections 1 and 3 of this bill. Section 1 expands the number of places where boards can invest moneys not immediately required by them. Here again, unless it is a sale of school properties—and we hope not too many of those are sold; we hope we keep our schools open across the province and not close them at the rate suggested by the regional offices to the minister, as we heard a couple of weeks ago; elementary schools closing at the rate of one per week over the next five years. We hope this doesn't occur. They won't have large sums for investment but it does expand the places where they can invest the money to promissory notes of a municipality as defined by the Municipal Affairs Act into term deposits accepted by credit unions, as defined in the Credit Unions and Caisses Populaires Act.

This expansion is, of course, a positive one. They may not have moneys to put there, unless from the sale of school properties which I hope will not occur to the extent anticipated. Certainly it is a positive step forward and I would support the investment of moneys in credit unions in particularly. It would be very reasonable for the Windsor Board of Education, for example, to invest any moneys not immediately needed in the Windsor Teachers' Credit Union, to which virtually all the teachers in the Windsor board belong.

I would like to ask the minister if she is aware of any restrictions at all on which credit union moneys can be placed on term deposits.

There isn't? Fine. I am glad to hear that. Or caisses populaires?

I know there certainly are in terms of borrowing for election campaigns. Candidates or parties on their behalf, riding associations on their behalf, cannot borrow at a credit union unless all their members belong to that particular credit union, which is, of course, not possible. I would prefer the borrowing and the interest gained by the financial institution involved be a credit union rather than a bank.

I am glad there is no restriction on the credit unions that school boards can invest in. There may well be some interesting talks across the bargaining table as to where the boards will invest their moneys. If the various boards of education are thought to be responsible financially, then I am sure there will be interest on the part of the teachers that they invest their money with the particular teachers' credit union.

Certainly section 3 can be interpreted as a positive step forward to that shift of municipal taxation from farming residential to commercial as this section allows the rate to be levied on residential and farms to be dropped to 85 per cent of commercial from the present 90 per cent. If that is taken up by the various boards this is a shift of the mix of

taxation in the proper direction; off residential and farms and on to commercial.

I am concerned about section 2, which allows the spending of one mill out of current revenues or allowing the collection of taxation of up to one mill after the front-end loading has been paid by the ministry for those capital permanent improvements in any given year. I am concerned in two ways. One, this certainly is a loosening up—a giving of more autonomy, if you like—to boards. After the ministry has paid its determined share of the permanent improvements they can then, in addition, go out and borrow in total, one mill for each of the secondary and public school panels from their local taxation or levy against their local taxation, up to one mill.

We have loosened that up. We have given them a little more autonomy in that sense as to how they can go. My criticism is that now you have chosen to take that step of putting them in a less restrictive situation, why are you limiting it to so small a step? Surely we can trust the school boards to be financially responsible and to set what they feel to be reasonable levies. I don't see why we have to restrict the school boards in the way we have; this is certainly better than our current situation. It is certainly less restrictive and allows them to do more if they so wish. Why are we even cutting it off at this point? That's the one criticism.

Certainly in expansion we are moving in the right direction with this amendment. Just why do we have to be as restrictive as we are in it? If there is a board that may want to, in a particular year, spend beyond what the minister has given them plus the one mill on their local tax base for the permanent improvements—we may have a board that wants to do that in particular peculiar circumstances—they are still limited by our legislation to this. Maybe we should have opened it up even more in that possibility.

I am not suggesting there are likely to be many boards taking that attitude at all. That's more or less the minor one and one which argues for more board autonomy in financial matters than they have had and what they are allowed here, although this is certainly moving in the right directioon.

My real concern here, though, looking ahead, is the effect this will have on local school boards. This will inevitably result in a shift to the municipal tax base from provincial financing for those permanent improvements. If we look down the road a year or two and see how this is operating, what we will find is that of the percentage of moneys spent on permanent improvements, the provincial share will have decreased and the municipal share will have increased. This again simply represents a shift of the cost of those permanent improvements from the provincial base to the municipal tax base.

Certainly, I agree with the scheme of front-end loading as I understand it and as it has been outlined, but I can see school boards having to spend for those permanent improvements—and we are in a time of permanent improvements—the totality of that one mill rate, as well as the front-end loading, and it certainly represents a shift to the municipal tax base.

With very few new schools being built, but with those schools that have been built in the great population expansion in our school system in the 1950s and 1960s, I suspect we need to make those permanent improvements in many of those schools. We are hitting the time where permanent improvements are needed to a much greater extent than five and 10 years ago.

We are heading into that whole area of increased permanent improvement. We now devise a system where a greater percentage of that permanent improvement will be paid by the local boards than has been up till now. That represents a shift from provincial to municipal expenditure, and again that percentage is going in the wrong direction by increasing at the municipal level rather than increasing at the provincial sources.

That is my real concern over section 2 of this bill and my concern for the future as local school boards find themselves, whether they like it not, having to use their municipal tax base more than they would have without this amendment for those much-needed permanent improvements.

However, we don't feel that this entire bill should be opposed because of our concerns over this, but it certainly is a concern which we have as we see that shift to the municipal tax base from the provincial tax base as boards feel they must make permanent improvement expenditures to keep their school buildings in shape to serve the students in those schools.

Mr. Isaacs: Mr. Speaker, I just want to make some few brief comments in addition to those that my colleague has just made.

I too have looked at this bill as part of a package which includes section 1 of Bill 173 and Bill 171 and the bill to amend the Metro act that we dealt with the other evening. I too am suspicious that this is part of an overall change to provincial funding of capital works in our school systems. I notice that the minister was shaking her head when my colleague was speaking, and I hope she

will be able to give us some very firm reassurances about this later.

It seems to me the change to front-end loading, which is definitely an appropriate change, is being accompanied by a transfer in the carrying of a major component of school board capital costs from provincial finances to the property tax base, to the level of support that is available at the municipal level. It is great that we talk about that in terms of co-ordination between school boards and municipalities, but I have to reiterate that that appears to me to be something of a smokescreen.

If I might, I want to use one example of what I see to be something that may be coming in the future; again, I hope the minister will assure us we're wrong, but I'm not convinced at the moment.

I will use the example of a school board in my own area, because it is one I know well. As you are aware, Mr. Speaker, the area I represent is a growing area. Declining enrolments are a problem for the city of Hamilton but not at all a problem for Wentworth county, and difficulties are being created because of that. We have some schools that are seriously overcrowded and we need fairly substantial capital works in terms of renovation, major improvements or extensions, or maybe even new schools.

Back in the spring, the minister indicated funds would be available for the building of a new school for the Wentworth County Board of Education. Several of us who come from that area thought that was very appropriate and appreciated the minister's generosity. The school board too felt it would be a step in the direction of filling our requirement for new school services. But it has transpired that the money allocated by the minister was completely inadequate for the school board's needs. To put figures to it, just to make it easier to comprehend, the minister announced a grant of approximately $1 million to build a new school which, in fact is going to cost about $1.7 million.

The school board has been discussing that with officials of the ministry, and there may or may not be an announcement in the not-too-distant future. It is hoped there will be, because the need for that new school is urgent and pressing and has been for some time.

From the background work I have done and from talking to people at the school board level and those in other school systems who understand these problems, it seems to me that the minister's response is likely to be that the extra $700,000 has to be raised locally, and here, in this bill, is the mechanism for raising that money.

My very serious concern is that there is no commitment attached to these changes; that the balance between local and provincial funding of capital works in our school system will remain unchanged for school boards to get funds for their needs for capital improvements and for construction.

The problem is one we debated at length recently in other contexts. I don't want to go into it, but the property taxpayers of this province are already seriously overburdened, and section 2 of this bill is providing for the possibility of applying an additional burden to those property taxpayers for a need that cannot be argued: to provide for schools that are absolutely necessary and for which there will be a partial provincial grant dangling there as a carrot.

The pressure on the school board is going to be along these lines: "Unless we raise this extra one mill locally, we won't get the provincial grant; therefore, we will have nothing and will have to apply this additional burden to the property taxpayers." I see that as a very real concern. We cannot go on asking the property tax base to bear more and more of the costs for essential services—services such as education which are very vital and fundamental to the fabric and future of this province.

Yet with this kind of package—and I have to say it has been packaged very well—here it is, one key clause contained in a bill that has several amendments, the rest of which are perfectly supportable and unarguable and perhaps even overdue. There are a couple of other little bills, which in themselves appear very innocuous. There is a bill to amend the Ontario Municipal Improvement Corporation Act. How would anybody be too upset about that? Yet when all of them are put together, and when you look at the impact on the municipal taxpayer and at the impact on the relationship between school boards and the property tax base, then I think there are grounds for very real concern.

I am looking forward to some very strong on the record reassurance that this is not the case from the minister, and that the balance between provincial grants and moneys that must be raised locally will remain exactly as it has been. Without that assurance, it seems to me we are putting a mechanism in place with this bill for making the property taxpayers pay yet more towards school capital works.

Hon. Miss Stephenson: Mr. Speaker, I hope you will be able to hear my somewhat peculiar vocal capabilities this evening.

I am delighted to hear the support for sections 1 and 3 of the amendments to the Education Act which specifically relate to the funding mechanisms of capital construction for the school system and for the investment capabilities of school boards. We felt, since the Municipal Act had widened the opportunities for municipalities in terms of the utilization of credit unions and caisses populaires, that it was only appropriate the school boards should have precisely the same kind of capability. That is the reason for the modification of section 1.

I am a little concerned at the slightly misanthropic view of section 2 which has been suggested by the members for Wentworth (Mr. Isaacs) and Windsor-Sandwich (Mr. Bounsall). The intent of the section is to continue the protection of the local taxpayer which has been in existence for some time within the Education Act. The proposed change really permits the implementation of the direct capital funding mechanism which the members of school boards right across the province have supported vigorously from the time this discussion first began. There is no intent, I may reassure the honourable members, to do anything other than to ensure a degree of protection to the taxpayer, the local taxpayer, which is currently in existence.

The member for Kitchener-Wilmot (Mr. Sweeney) raised the matter of that portion of the contribution to the past pension fund which had been lumped with the permanent improvements and capital funds in the present section of the bill. It is believed that contributions to past pensions should more appropriately be treated as operating expenditure rather than as capital expenditure, in this context at any rate. They are so treated for grant purposes as part of the ordinary operating expenditure and are funded in that mechanism. Therefore, it was not felt necessary to include them in this revised mechanism which has been established specifically for construction purposes, capital purposes, for the school boards.

I can reassure the honourable member that the Ontario Education Capital Aid Corporation will stay in business to complete its debenture commitments until March 31, 1980, but it will not be issuing new debentures thereafter. To my knowledge, it is not going to get rid of any of those that it is holding either. I suppose there may be a mechanism developed whereby they will be transferred to another agency, but to my knowledge nothing of that sort is going to happen. There will not be a sale of debentures by the corporation I have been informed; I have inquired about that as well.

[9:00]

We think it is important to implement section 3 of this bill this year, because the equalization factor modifications which have been made for 1980 could result, as I'm sure the honourable members know, in a shift of burden to residential and farm taxpayers from commercial. The reduction from 90 per cent to 85 per cent is specifically to try to ease that burden and to get it back on to a reasonably equalized basis in spite of the changes in the equalized assessment factor modification which has been made.

The member for Kitchener-Wilmot mentioned the citizenship requirement, and I'm sure he thinks the citizenship requirement in the Education Act is probably the correct one. I shall be pleased to speak to my colleague the Minister of Intergovernmental Affairs (Mr. Wells) to prevail upon him to modify the Municipal Act in order to have it contain exactly the same provision.

The member for Wentworth was questioning the funding for permanent improvements and the funding mechanism therefor. The available funds from the province for permanent improvements, as I'm sure the honourable member knows, are allocated to school boards in relation to priority of the need which they establish. The school boards are given the power to raise a local share, either through taxation in the year of acquisition within the one-mill limit or through the sale of debentures with small amortization over several years.

There is no intent at all, if I may reassure the honourable member, to change the basis of sharing between the provincial funding mechanism and the local property taxpayer.

Mr. Speaker, I think that really is all I have to say in response to the points raised by the honourable members. It is my sincere hope they will approve the second reading of this bill rapidly.

Motion agreed to.

Ordered for third reading.

MUNICIPAL AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 173, An Act to amend the Municipal Act.

Mr. Rotenberg: Mr. Speaker, this bill contains a number of amendments to the Municipal Act; all these amendments are part of the government's continuing efforts to increase the authority and responsibility of municipal governments in Ontario.

The bill includes an amendment to enable regional municipalities, counties—including the county of Oxford—and local municipalities

outside regional municipalities to issue debentures on behalf of and at the request of local school boards situated within their area of jurisdiction. This change is proposed to complement the government's policy to provide front-end grants for school board capital projects and to meet the concerns of the larger municipalities on the need to reduce the number of local government borrowers in the public bond market.

The proposed provision would not—and I stress the word "not"—empower municipal councils to approve or disapprove the permanent investments of the school boards to be financed by these debentures.

Other amendments are being proposed to provide councils with greater discretionary authority in carrying out their responsibilities. For example, the bill seeks to enable a municipality to deposit reserve funds and debenture sinking funds in credit unions. Amendments are also included to provide council with broader authority to appoint members to boards of management; to restrict the number of animals in each household; to provide benefit plans for members of council; and reduce, cancel or refund taxes in respect to buildings registered unsuitable and unusable by fire, demolition or other causes.

The area municipalities in Metropolitan Toronto have been concerned about the need to register group homes in order to facilitate the enforcement of the zoning bylaws affecting group homes and to have public records of those who are responsible in case of problems with a group home. To overcome these concerns, an amendment is proposed to provide for a system of registration of group homes by municipalities and to prohibit the operation of group homes that are not properly registered. This change would also allow inspections where there is reason to believe a group home is operating but not registered.

At the request of the Metropolitan Toronto council, an amendment is being made to enable the council—any council, not just Metropolitan Toronto's—to exempt from its taxi-licensing bylaw taxis carrying school children, disabled persons and handicapped persons from one municipality to another under a prearranged contract. This amendment also permits municipalities to make agreements with each other so that taxis licensed in one municipality can pick up in another.

Finally, the bill proposes to provide a more equitable arrangement for allocating the cost of the remuneration and expenses paid to the municipally appointed members of local boards representing more than one municipality. The amendment seeks to enable the participating municipalities to determine the rate and amount of remuneration and expenses to be paid to their appointees by the local board.

Such a change is being made to avoid the potential cost burden which would otherwise be experienced by the smaller municipalities, particularly in northern Ontario, in funding the remuneration and expenses to be paid to the representatives on joint local boards. Conservation authorities, however, are not affected by this proposed change.

As I indicated at the beginning, there are a number of sections in this act which assist the municipalities in giving them broader powers. I would ask for the support of the House in giving second reading to this bill.

Mr. Epp: Mr. Speaker, I want to draw the parliamentary assistant's attention to a number of matters in this bill. I hope he will have a clear answer for us later on. I want to indicate at the outset that we plan to support this bill in principle, but we do have some questions concerning it.

We all know the section dealing with school boards is similar to a section we dealt with recently in the Metropolitan Toronto bill. The grant for capital projects have to be up front, rather than going by way of amortized loans. At the moment, I guess Metropolitan Toronto is in a position to go the sinking fund debentures route, but many municipalities do not have that particular leverage. They have to go through serial debentures, which means they have to pay both the principal and interest annually on loans.

It seems surprising that where the bill dealing with the management boards was so precise with respect to individual municipalities, in that they could have no fewer than three and no more than seven representatives on management board, the bill dealing with joint boards is ambiguous and there could very easily be as many as 14 representatives on a management board. One section is very specific and then in the section immediately following there is ambiguity. That is why we are here today, to try to correct that ambiguity.

The parliamentary assistant has alluded to the situation with regard to taxis and to the fact we were somewhat remiss earlier this year when we dealt with the bill that permitted municipalities to restrict legislation governing taxis emanating from their own muncipalities. Obviously, someone did not fulfill their responsibilities—the government, local taxi cab operators or whoever. It seems odd that after the bill is passed they make representation that would exempt handi-

capped persons—the physically disabled—and school-age children in the legislation.

I hope, as far as the definitions are concerned, there is no problem later with physically handicapped or school-age children. I'm not sure what would happen if you had children of immediate pre-school age, for instance children four years old, and there was a contract arranged to transport them from one municipality to another. I wonder how the ministry would deal with this problem; or a situation in which the definition regarding handicapped persons or disabled persons was not clear. I'm wondering how the ministry is going to deal with these particular matters.

The other problem has to do with the group life and accident benefits that councils will be able to derive in the future. I'm wondering whether the ministry is giving any thought to the impact of some of these costs on smaller municipalities. The impact of these costs could be much greater than remuneration itself.

If a particular councillor were on the council of a small municipality, small in population and small in assessment, for a number of years and were to get significant benefits, I'm wondering if the ministry could indicate whether they are going to ask the various councils to make public the impact of those benefits on the municipality over a long period of time. I think this is important to ensure there is no difficulty later on when benefits have to be paid and the ratepayers of that municipality have not had a clear indication of what that impact will be.

Lastly, I want to draw the parliamentary assistant's attention to the tax rebates for damaged buildings. I wonder if he is aware of a letter that went to the minister, dated November 27, 1979, only last week, from the township of Logan, which questions this particular amendment.

The council of the township of Logan would like to see the walls of structures properly removed or buried before refunds are granted for buildings demolished or razed by fire.

As you know, Mr. Speaker, they now have the opportunity, if this amendment is carried, to get refunds for partially damaged buildings. This particular township is concerned that they may have to give refunds even if those walls are partially standing. They want to have a clean sweep of the areas, so there is no problem with children playing in the area or other passersby being injured by standing walls.

If the parliamentary assistant would direct his answers to some of these questions, I would be more than happy to hear his response.

Mr. Isaacs: Mr. Speaker, I have only a small number of comments on this bill. It's another one of those bills that gives the appearance of being a housekeeping bill, but which in fact contains a number of provisions which are very important. Some of the provisions are things which should have been dealt with previously, perhaps, and others have some greater significance than is first apparent.

[9:15]

We've discussed the matter of municipal borrowing for school boards, which is the first section of the bill, on previous occasions. Indeed it's tied, in an indirect kind of way, with the bill on which we have just completed second reading.

The problem is one that will continue to exist and which is not really satisfied by this bill, even though this bill goes some way to dealing with the overall financial wellbeing of the municipality. The problem is that relationships between school boards and municipalities are not what they should be; in fact they are so far from what they should be that I can predict that it's only with a great deal of expressed resentment, with a great deal of hostility, that municipal councils are going to deal with requests from school boards for debentures under section 1 of this bill

Certainly, it makes a great deal of sense to have debentures that are necessary for school purposes counted as part of the overall debt load of the municipality and considered as part of the overall financial stability of a municipality when the local or regional council is considering such things. Certainly, some of those municipalities have found themselves in some financial difficulty—difficulty is too strong a word, Mr. Speaker, but have seen the future looking a little gloomier than it should and have been up against their debt load ceiling and have suffered the consequence of that because of lack of co-ordination between the municipality and school boards.

We've already seen a situation in the eastern part of this province where a municipality has said, "We refuse to continue to collect the education portion of the tax levy that is required by the school board." The school board has therefore had to go to the considerable length of producing its own property tax bills and dealing with its own property tax collection.

Relationships between school boards and municipalities are grim. I know from dis-

cussions with municipal councillors, as recently as this weekend, that there is no prospect of those relationships getting any better; indeed the request for school board tax levies for 1980 are probably going to be met with a great deal of hostility in municipal council chambers right across this province. We are now adding to those not only the operating portion of the cost of the school board but a portion of the capital cost faced by the school board.

So while we support that particular section of the bill, it's with a great deal of concern about this deterioration in relationships, and with a very strong suggestion to the minister that consideration be given to all steps possible to improve the day-to-day relationships and the planning relationships between the school boards and the municipalities. If that's not done, then this section isn't going to work; rather it's going to be the vehicle for even more bad feeling and the basis for future battles between school boards and municipalities. I would really be concerned if those relationships degenerate in that way.

Sections 2, 3 and 4 deal with the matter of investment of municipal councils. We've talked about that before as well, in a number of contexts.

Fortunately, we appear to have finished the process whereby credit unions have been opened up completely for use by municipal councils. Nevertheless, this particular section still imposes conditions such that municipalities are not going to be attracted towards using credit unions.

Credit unions, at the moment, are facing very great hardship. They're in a situation caused by the dramatic increase in interest rates, that has been precipitated by the minister's friends in Ottawa and about which absolutely nothing has been done by this particular government. The credit unions are suffering as a result of that because they have to pay interest rates on their deposits that are equal to, and in some cases greater than, the rates which they are garnering on the moneys which they have out to loan. That's a serious problem for credit unions.

I want to suggest that when we were looking at this particular bill we could have taken steps that were very much more positive to encourage municipal councils to make use of credit unions for their day-to-day deposit of funds. That action in itself would have assisted many of the credit unions which are presently feeling in a somewhat tight position. It is a difficulty that the bill does not address and that it could have addressed. There could have been some incentive from municipal councils to use credit unions.

My colleague the member for Rainy River (Mr. T. P. Reid) says they can't do it. If they can't do it then I have to ask why this section is being passed at all. The section is being passed because municipal councils see some future in the use of credit unions, and because the credit union movement in this province would welcome the investment of municipal funds, for short terms, in credit unions, and would welcome being able to draw on the reserves that some credit unions have for loans to municipalities in a cash flow situation.

The idea is a good one, but the mechanism is not going to help. We are not going to move away from the situation where municipalities simply are not using credit unions. It doesn't matter how much legislation we pass in this House; unless there is an incentive provided municipalities are unlikely to start using credit unions, and that is pretty unfortunate.

The section on appointments to boards of management, Mr. Speaker, seems to us to be very overdue. Of course, such a body as a municipal council should have the autonomy to set up a board of management, to establish how many people and what kind of people should be on it, and to allow it to function as an operating arm of the municipal council. We have no difficulty with that at all, we welcome the introduction of that section.

The matter concerning permissive bylaws on control of the number of animals per household rather than per individual also has our support. In supporting it, we have to say we wonder why the control per person rather than per household was ever put in place in the first place.

I reviewed the record on that and it seems it was put in place for the good old reason that is always given from the other side of this House: that is what the municipalities asked for. I have to suggest that sometimes municipalities may need a little bit of advice a little bit of assistance; they may need at least a suggestion that something else could serve their needs even better than that which they are asking for.

Controlling the number of animals per person in a municipality does not do anything to solve the problem. As is stated very clearly in the background material for this particular bill, if there are 10 people living in a household and the municipal bylaw says two animals per person, then that is allowing a number of animals in the household which is totally and utterly unacceptable to any

reasonable thinking person. It is the number of animals per household which needs to be controlled, so that the senior citizen or the person living alone is able to have two pets, and so the individual within a family who wants to have two pets can only do so if others in that family are prepared to agree that those two pets can be owned by one individual.

This section is what is needed. It is what should have been brought in in the first place, and we welcome it.

Section 7 concerns taxi pickup agreements. I reviewed Hansard on this particular section as well, because it is a very important one to municipalities within Metropolitan Toronto. It is also a very important matter to others in suburban municipalities where the suburban municipality is dependent on the city for quite a number of services.

The matter of taxis raiding in municipalities in which they are not licensed is one that has been a matter of some considerable concern. My colleague the member for Welland-Thorold (Mr. Swart) indicated back in December of last year when the original amendment that this is now amending again was before the House that a whole new approach was needed to the matter of taxi licensing. I have to reiterate that we still believe that to be the case.

Given that background, we have to welcome this particular section as being a rational approach to dealing with a problem that somehow got overlooked the last time taxi agreements were discussed in this House.

Section 8, on group homes and the registration of group homes, seems to me to be a section where all the things the minister has talked to us about—co-ordination, co-operation and consultation—went completely and utterly afoul. This particular section is supposed to be in response to a request from municipalities within Metropolitan Toronto for some registration ability so that they are aware of the location of group homes and can ensure the provisions they wish to lay down in their zoning bylaws are being upheld.

As of Friday afternoon, many of the individuals who were most closely concerned, and who are also members of the council of the city of Toronto, were not aware of this particular item being contained in this bill. They were concerned about its impact. They were concerned that it was too restrictive in some senses and not restrictive enough in another. They were very upset that we would get to this very late stage in the process, where it was indicated to them that the bill was to come forward today, and yet the major municipalities that have been involved in this battle ever since the beginning and the municipality for which the private bill on which this is based was introduced have not been properly consulted.

It was a great disappointment to me, Mr. Speaker, and I was happy to fill in on behalf of the government and to send a copy of my bill to city hall so that they became aware of what was contained in this bill. I welcomed the opportunity to do that, and I will welcome the opportunity to do it in the future when it is officially my responsibility, as it will be.

I really have to say to the parliamentary assistant, because the minister isn't here, what goes on? What is happening with this promised consultation and co-operation and co-ordination when this kind of thing happens, when there have to be last-minute meetings this afternoon between the mayor of the city of Toronto and the staff of the ministry—perhaps the minister was there as well, I don't know, but he is certainly not here tonight—to try to iron out a section so vital to the continuation and proper control of group homes within our largest urban centre?

We haven't had a full and complete opportunity to review the agreement that was hammered out at that meeting this afternoon. The concerns we have are still there. We are not satisfied with the definition that is contained in this bill, we are not satisfied with the details of the registration procedure and we will be reviewing these in the hours ahead.

It is my understanding we have an agreement from the minister that this bill can go to committee of the whole House so that we can introduce amendments to deal with that particular section, and also have time to review the points which still concern us, although they appear not to concern the mayor of the city of Toronto because a procedure has been put in place whereby the city's private bill will go through.

This was not the original intention. We thought we were going to have legislation that was uniform across the province in order to deal with registration of group homes; that understanding seems to have disappeared. We wish to have a few hours in which to review that, so we have asked, and I understand we have the agreement of the government, that this bill will not be dealt with in committee of the whole House tonight but will be set aside until another day.

On section 9 of the bill, the matter of payment for municipal appointees on joint boards, if a—

Mr. Acting Speaker: If I might just interrupt, if the bill is going to committee there

is no need to deal with it section by section as you have been doing. If you would, just speak to the principle of the bill; maybe you can confine yourself to the principle of section 9.

Mr. Isaacs: Thank you, Mr. Speaker. I appreciate your comment and I understand your intent, but the bill itself appears to have no principle. The bill is a mish-mash of 11 different principles that have been thrown together in one omnibus bill, it is difficult to speak to the one principle. I would hope that when we get to committee we might avoid the need to review each section and we might focus only upon those sections for which we have amendments, but I will keep my remaining comments very brief.

[9:30]

On the matter of payment by municipalities for service on joint boards the principle that is established by this bill is a good one because it relies on co-operation between the municipalities that make the appointments to the joint boards. We have no argument with that and would comment only that we hope the co-operation that this section relies upon will indeed be there and that two municipalities that may see themselves as being competing municipalities will forget that competition and work together to deal with this matter of remuneration.

The final section on reduction of taxes for damaged buildings has been dealt with very adequately by the previous speaker; I will not add any comments to that except to say that we support it.

We will support section 10 concerning benefit plans for members of council, but with reservations, because we suspect that it relates primarily to the matter of provision of errors and omissions insurance, a type of insurance over which we have very considerable concern, which we have opposed previously and which we continue to oppose.

Yet this section at least appears to permit the payment of health insurance premiums and life insurance premiums and other benefits to municipal councillors, things that those municipal councillors have been receiving in many municipalities for quite some time and which they have presumably been receiving illegally and which we feel they should receive, and receive legally.

However, the matter of errors and omissions insurance, to which I believe this is tied, is one over which we have very grave concern and we regard the government's approach to the provision of that kind of insurance to be totally the wrong one.

Those are my comments. I appreciate the interjection earlier. We will be asking that this bill go to committee of the whole, but we will be supporting it in principle and we will hope that, bar the one section over which I have expressed concern, the rest of it will receive speedy passage because it does in general benefit our municipal colleagues.

Mr. Sweeney: Mr. Speaker, I want to draw attention to only one section of the bill, and that is section 8 dealing with group homes. I would remind the parliamentary assistant that there is a very strong move by this government to move various people in our society out of institutions back into community facilities of one type or another—moving young people from training schools into group homes; moving retarded people from the large institutions into group facilities..

There has been a problem with some municipalities in this province which have set up various zoning bylaws to prevent the establishment of such group homes. I would remind the parliamentary assistant that the Minister of Community and Social Services (Mr. Norton) has taken a very strong position on the provision of group homes, and that municipalities should take a fair share of group homes is definitely a movement that should be supported.

I have a concern that this particular section of the act, by giving the municipalities the power to require registration, could be used in a negative way. As the parliamentary assistant probably noticed, I discussed this very briefly with the Minister of Community and Social Services and there does not seem to be a deep concern along these lines; however, I would like to hear it clearly from the parliamentary assistant, representing the government at this time, that that is not the intent and that there is nothing in this section which would give municipalities even more power than they already have to keep much-needed group homes out of their municipalities.

The second concern I have with respect to this is that group homes already in place would not be jeopardized in any way by adding a registration provision to the powers of a municipality.

If the parliamentary assistant could speak to those points it would certainly help me to understand the intent of this and decide whether or not it is supportable. Thank you.

Mr. McClellan: Thank you, Mr. Speaker. I want to speak as well on the principle of section 8 of the bill.

As my colleague from Hamilton has pointed out, we could have in fact 11 different bills in front of us rather than the one bill, but section 8 is a matter of particular urgency because it relates to the question that has been in front of this Legislature a number of times already this session. It has to do with the orderly provision of group home living facilities in communities on an adequate basis.

The government has used the excuse for the last four or five years, that it is unwilling to change section 35(1) of the Planning Act because it can encourage a municipality to voluntarily pass bylaws that will permit the orderly inclusion of group homes within their boundaries.

I want to say to the Provincial Secretary for Social Development (Mrs. Birch) and the Minister of Community and Social Services (Mr. Norton), who are both here, as well as to the parliamentary assistant, that we're sick and tired of the systematic violation of human rights that is taking place across this province as municipality after municipality drags its heels on the question of passing model bylaws to permit group homes. We're sick and tired of the kind of harassment and exclusion taking place in communities like Etobicoke. It is time for the government to stop deceiving itself and everybody else that voluntary encouragement is somehow going to work. It's time to amend section 35(1) of the Planning Act and take away the power of municipalities to systematically violate human rights in this province by freezing the mentally retarded or the emotionally ill out of their community.

It's intolerable. We have been waiting—how many years now?—for the group homes for the mentally retarded that were originally to be provided in Etobicoke. They still haven't been provided after, I believe if I'm not mistaken, something like 18 months if not two years. The reason they haven't been provided, of course, is that Etobicoke has refused to sully itself by allowing the mentally retarded to live in group homes within their boundaries.

What kind of rubbish is this? How long does the government intend to tolerate this kind of discrimination? It is discrimination. This isn't a zoning issue, and it's not an issue for minor housekeeping amendments to the Municipal Act; it's an issue of basic human rights. No municipality has the right to say to a particular disadvantaged group, "You're not welcome in our community. Go away and live somewhere else. If that means you have to stay in an institution like Orillia, too bad for you."

That's precisely what they're saying, and as long as the government allows section 35(1) to be used against the disadvantaged it is saying that too.

The act in front of us, section 8 of the act in particular, is a very curious response by this government. Having dragged its feet and refused to deal with discrimination under section 35(1) of the Planning Act, the government is coming forward now in response to the fact the city of Toronto has had the courage and the decency and the goodwill to pass a model bylaw which permits the orderly and adequate development and location of group homes within the boundaries of the city of Toronto, which incidentally makes the city of Toronto virtually unique in the province. I believe there are one or two other municipalities that have shown the same kind of goodwill and the same kind of leadership, but they can be counted, and somebody can correct me if I am wrong, on the fingers of one hand.

So the government is coming forward in response to the city of Toronto's model bylaw. What are they doing? They are not even accepting the kind of initiative the city of Toronto was prepared to make. As I read Bill 173, section 8, as I look at the definition of "group home," I see it is substantially narrower than the definition in the city of Toronto's model bylaw. I don't want to belabour the point, because my colleague the member for Wentworth (Mr. Isaacs) indicated we were going to deal with this in committee, but I want to point out our concerns for the benefit of the parliamentary assistant so he can have a chance to reassess his position.

The city of Toronto's model bylaw talks about the orderly development, and spacing and location, of two kinds of facilities, residential-care facilities and crisis-care facilities. They are both defined in the same terms as facilities in which members of the group are referred by a hospital, court or government agency; such facilities being funded wholly or in part by any government, other than funding provided solely for capital purposes; and thirdly, such facilities to be regulated or supervised under any general or special act.

That is substantially different, that is a substantially broader definition of group homes than the definition provided in section 8 of Bill 173, which limits the definition of group homes to a residence licensed or funded under an act of the Parliament of Canada or the province of Ontario, et cetera. We are not worried about the et ceteras involving how many people and that kind

of thing, or the purposes for which people are living in group homes but the minister in his bill as presented now by the parliamentary assistant has narrowed the definition to exclude, for example, a group home which is neither licensed nor funded but which accepts referrals from a psychiatric hospital or from any other hospital. That is substantially different and substantially narrower. I want to know, as we now get to second reading, why it is the ministry is not prepared to accept the definition laid out in the city of Toronto's model bylaw. Frankly, it causes one to be somewhat suspicious. You will have to forgive our paranoia, Mr. Speaker, but there is nothing on the government's record so far in this area that would warrant any kind of—

Mrs. Campbell: Trust.

Mr. McClellan: Trust; thank you. There is nothing in the record to warrant trust, only that which would warrant extreme caution, and indeed suspicion. Again, we will want these issues explored in exquisite detail when we get to committee of the whole House.

I go back, though, to the main point. None of the government's initiatives of this kind are going to mean a thing unless other municipalities follow the example of the city of Toronto, and one or two other municipalities, in passing model zoning bylaws. Again, there is absolutely no evidence that municipalities are following the urging, the musing kinds of urgings of the ministry to do this on a voluntary basis, so the legislation in front of us tonight will only apply to those municipalities which have already taken an initiative. It is regrettable to have to say the government is not even prepared to back up the initiative taken by the city of Toronto in its zoning bylaw but is even trying to water that down. What kind of a commitment is that?

Why did the minister fail to consult with the city of Toronto? Was he trying to ram this through? Was he hoping nobody would notice there was a substantial difference betwee the definition as set out in Bill Pr5 and the definition as set out in Bill 173? Was this one of the parliamentary assistant's little tricks, that unfortunately for him did not go undetected? The suspicion is certainly there, since the ministry did not even have the courtesy to provide a copy of the bill to the city of Toronto despite the fact that Bill Pr5 had been debated at the justice committee and the parliamentary assistant was present at that debate. He knew very well of the city's interest in Bill Pr5 and could have anticipated very clearly the city's interest in Bill 173.

[9:45]

I have the suspicion that there was an attempt at some fairly shoddy manipulation, to be brutally frank about it, and I don't like it at all. Fortunately, Mr. Speaker, I think it was nipped in the bud. A copy of the legislation was provided to the city and there has been opportunity for some discussion, although not enough. We will have the rest of that discussion when we get to committee of the whole House.

Mr. Breithaupt: Mr. Speaker, I'm pleased to speak in favour of Bill 173, particularly with respect to the principles as set out in sections 2 and 3.

I make my comments, sir, fully disclosing my own personal interest in that I happen to be a director of a federally incorporated trust company. On sections 2 and 3 we're not dealing with any of the actions, either with respect to banks or trust companies, but rather with the opening of opportunities for credit unions to receive a variety of deposits and to benefit from that opportunity. As the critic of the Ministry of Consumer and Commercial Relations for the official opposition, I realize the responsibility for credit unions and for the work which they do is under the general ambiance of that ministry.

In sections 2 and 3 we see some long overdue changes which will allow credit unions and caisses populaires to benefit from the opportunity of receiving a variety of these deposits to which I have referred. In the Credit Unions and Caisses Populaires Act of 1976 there was a reworking of the development of these financial institutions within the province of Ontario. Now we see, from the changes in section 2 which deals with a variety of other changes in the Municipal Act, that a municipality may deposit the benefits or results from certain funds—and certain funds not only for current purposes but also for trust purposes—with either a bank or a trust company, or in this third instance with a credit union. I believe these opportunities will be worthwhile for the further encouragement and development of credit unions within the province of Ontario.

The member for Wentworth commented to some extent on the interest rates and other changes which he would encourage to allow better competition. Of course as we're all aware, the responsibility for amending legislation in that area is entirely a federal one. I'm pleased that the Minister of Consumer and Commercial Relations (Mr. Drea) has made a variety of representations, both to the previous responsible government in Ottawa

and also to the present federal ministry, to make a variety of changes to the Small Loans Act in order that the interest rates which can be charged and offered, both for borrowers and depositors, in each case can be up to the levels presently charged by the chartered banks and by the various trust companies, difficult though they may be for many people.

Certainly, the opportunity for credit unions to develop and flourish within the province of Ontario is a reflection of the kind of legislation which is encouraging, enabling as it does, and I think usefully, the future development of the opportunities of which various municipalities may choose to take advantage. I welcome that as one of the themes in the bill, and it certainly has my support.

Mr. Swart: My colleague the member for Wentworth has given, I think, a pretty comprehensive analysis of this bill. I am not going to repeat most of what he said. My colleague, the member for Bellwoods has put section 8 in perspective, and I am not going to deal with that either; but there are one or two comments I want to make, particularly with regard to section 1.

Before I do that, I want to say that we on this side welcome the broadening of the permission to members of council for the provision of fringe benefits, and they call them that, for the members of council. I am sure the government has done this primarily for those who spend full time in council work, and there are more and more of these people across the province. However, there are many others who spend a substantial part of their time and receive a substantial part of their remuneration from the municipality, and who in their other fields of operation may be precluded from having these kinds of benefits; they also should have the right to have these things provided by the municipalities.

I have to say I am somewhat surprised at the comments of the member for Waterloo North (Mr. Epp); he seems to want to have these rather severely restricted. We in this party welcome legislation which gives greater autonomy and assigns greater responsibility to the municipal councils. We have no fear they will abuse this additional permissive legislation.

As has already been stated, we too welcome the fuller use of the credit unions in all fields of municipal finance. I recall that a year or so ago there was a small move made in this direction; at that time I urged the government to go further and allow municipalities to use the credit unions fully for their financial requirements, whether in depositing or in borrowing. It now seems this has come almost full circle and they are to be allowed to do so.

I hope the parliamentary assistant, however, would state in his reply if there still are any areas where municipalities can't use the credit unions within their communities for their financial purposes. I believe there are some restrictions with regard to borrowing; I would be pleased if the parliamentary assistant could give a full statement in that regard.

If there are areas where they are still unable to use the facilities of credit unions, I suggest extension be given so the credit unions are put on exactly the same basis as banks and trust companies.

I have some concern with section 1 of this act. During the many years I was on municipal council it was a requirement that councils issue all the debentures for school boards. This was true whether the jurisdiction of the school boards was just within that municipality or whether they were school districts. If there was a capital expenditure to be made, the municipality within which it was to be made had to issue the debentures. During that period of time there was tremendous conflict, as my colleague the member for Wentworth has said, between the municipalities and the school boards.

I can recall, and I am sure the parliamentary assistant can also recall from his experience in municipal government, that certain municipalities refused to issue debentures and the school boards had to take them to court to get them to issue the debentures. Of course they had some concern because it did have an effect on their credit.

Then the government went the full cycle. It gave the school boards responsibility to issue the debentures. This has eliminated, to a substantial degree, the conflict between the municipalities and the school boards. Now they are returning to some sort of permissive legislation which would allow a school board to make application to regional governments, and to the county of Oxford, to issue the debentures on behalf of the school board.

I suggest this legislation is not only going to recreate some of that conflict that existed between the municipalities and the school boards, it will probably not meet the need it is intended to meet. In most cases, the regional council will only agree to issue these debentures where there is not a high debt in the finances of both the region and the area of the school board—and across the province they are now generally the same, with the exception perhaps of Niagara. Where there is a very high debt within the

area, where the region is reaching its maximum and the school board finds it difficult to sell debentures, the region will be reluctant to issue those debentures and the old conflicts will arise.

I say to the parliamentary assistant the arguments which he gave very briefly in his introductory remarks are not sufficient to satisfy me there is going to be any benefit from this. In fact, I think on balance it may cause more problems than it will provide benefits. I would hope in his remarks summing this up he could dwell at some greater length on this matter than he has to the present time. He has gone the full cycle and now has come back half-way in between. What we have in this section may well be the worst of all worlds.

Mr. Rotenberg: In dealing with replies I will probably try to reply to each of the members opposite who rose. I will deal with one item in the bill more than once, but that might be a more efficient way than trying to jump back and forth between members. I thank the members opposite for indicating their support for the bill in principle. It seems there is really only one section of the bill about which they have some reservations.

The member for Waterloo North indicated some approval of section 5 of the bill, regarding the persons on local boards. Part of it was previously ambiguous, and we have fixed this up. More important, we have given autonomy to local councils to choose the number of members on a local board and how they are picked, rather than setting it by legislation.

As far as the taxi cab area goes, there are some changing circumstances. In order to be clear and specific, we have clarified the bill so that the handicapped and school children can be exempt from municipal licensing bylaws and municipal taxi bylaws, if those municipalities so desire.

The member for Waterloo North also questioned the impact of the costs of group benefits. I think he is aware, as everyone is, that council members can now set their own salaries, the amount of remuneration they receive. I think this is in line with that philosophy that council members really are responsible for their own expenditures wherever they are spent and certainly for the amount of money spent on themselves. If a council wishes to spend money on group benefits for members of council, certainly that council should have that power.

As for accountability and how much it will cost, all expenditures of a council are public documents, as are all its budgetary approvals and budgetary reports. In the budget of any council this item will be there for the public to see, and I'm sure it will be there for the press to pick up. Somehow or other, a council can spend millions of dollars while the press ignores it, but if councillors raise their salaries a couple of thousand dollars it's headlines. When a council decides it's going to spend X number of dollars on group benefits for members of council it will be in its budget, it will be public; the amount of premiums will be known and council will be held responsible.

There was also some question from the member on section 11, as far as buildings damaged by fire and leaving up walls are concerned. This section, as with so many sections of the bill, is permissive. It isn't mandatory that a municipal council must give a rebate or a refund or credit on taxes because a building has been damaged and is unusable. The council may or may not do that in its discretion. A council may say it is not going to give a tax relief, but after the walls have been taken down and it is in a safer condition it may say it will consider it. Because it is permissive and the council doesn't have to do it, it doesn't change that relationship between a council and an owner of a damaged building as to cleaning up the site and taking down the walls.

[10:00]

We have to understand all of these matters within the meaning of permissive legislation. It does not say a council "must". It just gives the council more autonomy, something I think all members of this House have always seemed to think was a desirable thing. Maybe we sometimes move a little bit too slowly in giving local autonomy, but we give these things upon request.

The member for Wentworth and the member for Welland-Thorold raised the problem covered in section 1, which deals with debentures being issued by municipal councils.

When there are taxes to be levied there is no easy answer. There is no easy way to do it so everyone is happy. However in our changing circumstances, the changes in the forms of funding capital projects for school boards, some school boards will have to issue debentures.

I agree with the members opposite, from my own experience in municipal councils and here: when a school board asks a municipal council to issue a debenture there can be a certain amount of unhappiness about it, but it still is, in our opinion, the best way, rather

than having the school board going to the market on their own and issuing a separate set of debentures, a separate prospectus, and implying to the lending community there are two sets of debentures being issued, there are two sets of credit ratings. The credit rating in a municipality is very important in determining the amount of interest paid. Quite frankly, if a municipality is going to save a quarter or half a point in the debenturing that may be more important to the taxpayers in saving money on debenturing, and therefore saving money on tax payments. It may be a little more important to the taxpayers than having a little bit of a rift between the school board and the council when each one is trying to shift the responsibility to the other for the new high tax rate if that happens.

No, Mr. Speaker, it is not an ideal answer. There is no right answer to levying taxes. We simply feel this is probably the best under the circumstances.

The member for Wentworth, I'm pleased to note, was also in accordance with sections 2, 3 and 4 dealing with credit unions and caisses populaires. I may say to the member for Welland-Thorold, as far as I know now the credit unions do have all the same powers, rights and privileges as the banks within the meanings of these acts.

The member for Wentworth, however, seemed to indicate we should not only make the caisses populaires and the credit unions the equivalent of the banks and trust companies, giving them all the same rights, but we should give them something extra and something special. Quite frankly, I can't go along with the philosophy of that idea. The credit unions are now in the same position as the banks and trust companies. They can compete from the same position. To give them some advantage or something extra within the context of these acts so they have an advantage over the banks or trust companies—I don't know if the member means he wants them to lend money at a lower rate or borrow money at a higher rate, I'm not too sure what kind of incentive he wants—I think, quite frankly, they all should be in the same position.

We now come to what probably seems to be the most controversial matter in this bill. That is section 8, the matter of group homes. There seems to be some lack of information—lack of research, lack of homework; I'm not sure what it is—available to the members opposite. They seem to think this was sprung all of a sudden on the city councils; today, yesterday, last Friday or something like that. I can't be responsible if the members of this House opposite haven't done their homework. I can't be responsible if their colleagues on the city council who have the same party allegiance haven't done their homework.

I'm talking about the city of Toronto council, this is where there was reference about this problem. In point of fact there has been consultation with the city of Toronto from the time of the initiation of this matter by the government, from the time there was a problem with the city of Toronto Pr5, in order to find a solution satisfactory both to the city of Toronto and to this government. There was consultation, with one alderman specifically who was the author of Pr5. If people at that level don't talk to each other, we're not responsible.

There seems to be an implication across the floor that the members of the city council weren't aware of this act until a day or two ago. I would indicate to the members opposite the act was sent to the city of Toronto specifically, even though they get the Municipal Act anyway, the day it had its first reading. In fact I think they had a copy before it had its first reading in this House.

I am not too sure how the processes work down at city hall these days, but certainly if the city hall processes work properly those who are interested in the bill, those who are interested in the terms and conditions of the bill, can certainly find out what is going on and can know what bills have been introduced in this House, because it was sent to city hall.

There has been a constant and continuing dialogue with the city of Toronto; there was no last minute meeting with the mayor of the city of Toronto today. The consultation was continuing with the officials of city hall and the people at city hall; the meeting with the mayor today was not a last minute, sudden meeting, it was the culmination of a series of meetings with the city of Toronto people, both in person and on the phone, to understand, between us and them, what we are doing and how the city of Toronto will be able to operate within the terms and conditions of this legislation.

We had a communication back and forth with city hall and the city, in effect raised three objections to the legislation as it is in this act. Having replied to the city on how those three objections could be met, the mayor expressed an interest in having a face-to-face meeting in order to confirm what the government was prepared to do and how their objections would be met.

The member for Bellwoods has indicated the city wants a broader definition than is in this legislation. That is only partially true.

The city wants a broader definition in order to include crisis-care centres, and they also want to include group homes which are not funded by governments.

In other cases the city wants a narrower definition than is in the legislation. The legislation provides for group homes from three to 10 people. The city of Toronto wants six to 10 people. The legislation as provided allows it in a single dwelling unit. The city of Toronto wants it only in a single detached home, so it can't be in a semi-detached unit or an apartment or a duplex.

In some cases the city wants a wider definition, and in other cases the city wants a narrower definition. As I indicated to the city some time ago, and again in my talks with the mayor today, as far as the narrower definitions are concerned, whether in the city of Toronto or anywhere else, that is provided in the legislation. Section 8(2)(a), provides they may set up a registration system for any class or classes of group homes. If the city of Toronto wants to set up a class from six to 10, rather than the broader definition of three to 10, they can do that within their registration and therefore will only register those which are six to 10.

Mr. McClellan: According to your definition.

Mr. Rotenberg: No, according to their definition. The member for Bellwoods should do his homework, as the mayor of Toronto has done his.

The mayor of Toronto is quite satisfied they can set up a registration system that will cover the more restrictive groups they want rather than the broader definition within the legislation. As far as the broader definition goes, I think the members of the House realize this all arose because of the city's initiative and the section of the city's Bill Pr5 which wanted a broader definition.

We indicated to the city a number of weeks ago that we would like to proceed with this legislation as is, without including some of the broader definitions on group homes which the city of Toronto had in their private legislation. We have also indicated to the city of Toronto that if they amend the section as in Pr5 to accept the other definitions in the legislation as it is before us, but also initiate a private bill, a request which in effect would say the group homes are as they defined them, that is the crisis-care centre and the residential-care facility, we would not oppose that.

If they brought forward and amended their Pr5 to simply say for the purposes of this section of the act that for the city of Toronto the definition would include the crisis-care facilities and the residential-care facilities in their bylaw, we would not oppose that. In other words, we would not oppose the broader definition for the city of Toronto. That is quite acceptable to the mayor of the city of Toronto, and I assume to the council members of the city of Toronto as well.

I anticipate when this legislation passes, the city of Toronto will pass a resolution asking that that section of Pr5 be changed for the city of Toronto and, as indicated, the government will not oppose that request.

The member for Wentworth talked about some last-minute agreement with the mayor of the city of Toronto. I repeat, there was no last-minute agreement. The mayor of the city of Toronto simply wanted to have a face-to-face meeting so he could get from the ministry the explanation that had been given to the city before. The mayor was quite satisfied with the explanation. Therefore, as I say, he has indicated to me and I think he indicated by letter this afternoon, a copy of which I believe the member for Wentworth received, he is satisfied that the bill go forward in this form. He is satisfied and prepared to amend that section of Pr5 to broaden the definition and, as indicated, we will not oppose that definition.

Mr. M. Davidson: Did he have council approval for that letter?

Mr. Rotenberg: I indicated that has come from the mayor. I don't know whether he has council approval or not; it is up to the members of the council. I haven't always agreed with the mayor, but I think the mayor is one of those who has been pushing for the group homes. The mayor wants this to go through and I think the mayor, having assumed the responsibility of that office, also understands.

The mayor intends to take this to the council of the city of Toronto. Whether the council accepts that change in Pr5 is up to them. I don't see why they wouldn't because it implements what they want. As far as the rest of the legislation is concerned, it implements those matters which the city of Toronto wants to do in order to have this go forward.

The member for Bellwoods introduced something new into this debate, something I find quite surprising in the light of some of the other stands his party has taken in the past. In effect what the member for Bellwoods is saying is not that we should give permissive legislation to allow municipalities to have group homes, but that we should impose upon municipalities that they must allow group homes within their municipalities. He is saying we should change the whole philo-

sophy of the Planning Act—not that there should be local autonomy, not that municipalities should be able to pass their own zoning bylaws, but we as a government and as a legislature should impose those zoning bylaws on municipalities.

That is quite a change in philosophy. That is quite a change in their constant and continuing cry for local autonomy. That party has always seemed to be in support of residents' groups, ratepayers' groups, always saying we shouldn't impose zoning, we should allow the local municipality to do it; we should allow public hearings, we should allow everything to go forward in an open, democratic manner; we should allow the municipalities to make up their own minds, we should allow the citizens of municipalities to participate in the planning process, we should allow citizens to have a voice in the changes of the zoning bylaw. But oh, no, not now. Now we should impose.

Mr. Speaker, there is a forum, there is a way, there is a method of appeal if a group in a municipality is not satisfied the municipality is doing the proper things in the Planning Act. There is a method of appeal if a group in a municipality is not satisfied with the way the zoning bylaws are being handled by the municipality.

In this case it happens too. If someone applies for rezoning for a group home and the municipality turns it down, I submit it is not the proper process of this Legislature to impose its will. The process we have set up is that person, that applicant, that group home or whatever, can then appeal the decision of the municipality to the tribunal which has been set up for this, the Ontario Municipal Board, which holds a hearing and can overrule a municipality. That is the way I think it should go. That is how there should be an appeal from a municipality that doesn't act according to how some people wish in the zoning bylaw; this Legislature should not tell a municipality how to administer their own bylaws.

I am surprised, Mr. Speaker. These people adjust very easily. They have principles in certain things but if the case of the day doesn't meet with their principles, they get a new set of principles and they always change their principles to meet the situation. I am really surprised that suddenly that party over there doesn't want to have local autonomy, with the local municipality being able to administer their own bylaws.

[10:15]

Mr. Speaker, the member for Kitchener-Wilmot, who I think really wants to assist in this process of getting group homes, has raised a very vital question, which is, are we putting forward registration or licensing? I would assure the member for Kitchener-Wilmot that it is registration, it is not licensing. Frankly one of the objections we had to the original Bill Pr5 from the city of Toronto was that even though the explanatory note said it was registration, it was in effect a form of licence in that it gave a certain discretionary power to the municipality not to issue a licence.

Section 3 on page eight in effect says that where an applicant meets the terms set out in the registration bylaw, the registrar cannot refuse registration, but I would point out to the member, to be fair, that this does not change the power of a municipality as far as group homes are concerned. The power to register by itself is not a further power to restrict group homes.

But, as I was indicating before to the member for Kitchener-Wilmot, municipalities still still have the power under the zoning bylaw to allow or to restrict or to put in conditions to allow group homes. This bill does not alter that zoning power. The member has to understand that a municipality can prohibit or restrict or conditionalize group homes under their zoning bylaws, not only with this legislation but under the existing Planning Act under the existing zoning bylaw.

I would also point out to him that as of now this province does license group homes for children and shortly will be licensing all group homes. One of the conditions of a licence from the province of Ontario is that the group home must conform to all bylaws of the municipality. So, although this legislation doesn't change restrictions or doesn't make it more difficult for a group home, it doesn't make it any easier; it doesn't change. I want to be very open about that.

One final point. Someone raised the problem about section 10 of the bill which allows benefits for members of council. I would point out this has nothing to do with errors and omissions insurance that someone raised, this only has to do with benefits for members of council.

I think I have covered the points that have been raised by the members opposite and I am pleased there will be second reading of this bill this evening, after which, Mr. Speaker, I would ask that this go to committee of the whole House at some other time.

Motion agreed to.

Ordered for committee of the whole House.

UNIFIED FAMILY COURT ACT

Mr. Sterling, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 180, An Act to amend the Unified Family Court Act, 1976.

Mr. Sterling: On November 15, the Minister of Correctional Services (Mr. Walker) introduced this bill on behalf of the Attorney General (Mr. McMurtry) and he outlined two reasons for the bill to be brought forward.

Basically, the bill takes out the termination date of the unified family court as at July 1, 1980. The two reasons given for this are, first, there are negotiations still going on between the federal and various provincial governments across our country regarding the appointment of judges to deal with family law matters which are now presently under the federal jurisdiction. Second, a proper evaluation of the unified family court has not been terminated or brought to a conclusion. I think a fair question that may be asked by members opposite is why?

The problem stems from the fact the Family Law Reform Act was brought in nine months after the unified family court was put in place. This presented a different atmosphere in which the unified family court carried on its function and statistics prior to that time were not really valid as to what happened later. It took a period of approximately six months before the kinks, as they might be termed, were worked out to get the courts into the use of the Family Law Reform Act.

It is felt by the Attorney General the project has been a success, but before prejudicing his decision he would like to receive the independent report being done on that court.

The other question that may be asked is does the bill as it is drafted in effect give an open-ended option to the Attorney General? Basically, the answer to that is if a decision is made at some future time to terminate the existence of the unified family court in Hamilton, it will be necessary to bring forth legislation to provide for the transfer of cases or the case loads pending in that court to another court. If a decision is made to expand the project, further legislation will also be necessary in order to do that.

This bill is merely a holding measure designed to preserve the existing situation until it is possible to make a firm decision on the future of the unified family court in Ontario.

I hope I have anticipated some of the questions and that I will receive the support of the members opposite on the bill.

Mrs. Campbell: Mr. Speaker, I very much appreciate the parliamentary assistant again giving us the reasons which were given initially, but I do have concerns about the fact this is left as open-ended as it is.

I am concerned that we are relieving what seems to me to be a pressure to get on with both the discussions with the federal government and also to bring forward a report which can truly assess the merits of this project. It would seem to me if the Attorney General feels this has been a useful exercise, as indeed I think most of us do, it would surely be better perhaps to substitute another date, rather than to leave it open-ended as has been suggested.

It may well be one has to bring back to the House some provision for those cases to be transferred, but nevertheless if the report is imminent, if the negotiations with the government in Ottawa are proceeding, it seems to me it is much more valuable to us in this House to have the opportunity to review the matter at a specific date, rather than this type of open-ended situation which we have before us.

I have very little more I can add to that, but I would like an explanation as to why one wouldn't just extend the date to a specific date and let us in the Legislature again have an opportunity to question the status of any report and the status of those negotiations which I presume, as the parliamentary assistant suggests, are ongoing.

Mr. McClellan: A perpetual pilot project.

Mrs. Campbell: Yes.

Mr. Warner: It is, as my colleague from Bellwoods says, a perpetual pilot project. As my colleague from St. George mentions, without a termination date in there this thing can go on and on and on. And if it is successful, as I suspect it is—we have no reason to believe it isn't a successful experiment or project—how long will it be before other communities will have the benefit of a unified family court? How long will we wait for the evaluation?

I am not very happy with the bill being open-ended because I think it lets the government off the hook. I think it allows it, without any termination date, to just carry on its experiment for who knows how long.

Hon. Mr. Norton: We have an insatiable thirst for knowledge.

Mr. Warner: The minister has an insatiable thirst for providing work for lawyers, to study this and study that ad infinitum. We need some answers.

I believe the unified family court in Hamilton happens to be an extremely good project and a very important one, but I would appreciate the government deciding and letting us

know when they are going to report, even an interim report. Let us know what the government's judgement is on the court. I think one way to give us some idea as to when the minister is going to report back would have been to have had a termination date in the bill.

I won't say any more. We do have three minutes; that might be sufficient time for the parliamentary assistant to respond to the questions raised.

Mr. Renwick: Mr. Speaker, the suggestion made by my colleague, the member for Scarborough-Ellesmere, and by the critic of the Liberal Party, the member for St. George, is so eminently reasonable isn't it possible for the parliamentary assistant to discuss with the Attorney General the possibility of at least putting an outside date in the bill so the clause would read, "This act is repealed on a day to be named by proclamation of the Lieutenant Governor not later than . . ." and thus give himself some leeway, so there will be a date in there which will provide the kind of flexibility and will prevent its becoming, as my colleague from Bellwoods has said, a perpetual pilot project? It would seem to me that would be a very appropriate way to deal with the concerns we have. Otherwise, I suppose we will have to force an election on the issue.

Mr. Sterling: Mr. Speaker, the report I referred to in my opening remarks will be available, it is expected, by July or August of next year. Maybe I was a little optimistic—by September 1 of next year. We are sort of open on the date. It is nothing that has that much meaning to us. We will bring it back to the Legislature if that is the desire of the Legislature. But we were just trying to save the Legislature going through this particular process again.

Motion agreed to.

Ordered for committee of the whole House.

The House adjourned at 10:30 p.m.

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No. 126

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Third Session, 31st Parliament
Tuesday, December 4, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, DECEMBER 4, 1979

The House met at 2:02 p.m.

Prayers.

STATEMENT BY THE MINISTRY

DISPOSAL OF PCBs

Hon. Mr. Parrott: Mr. Speaker, last year before the standing committee on resources development, I presented a seven-point program for the disposal of liquid industrial wastes.

In the past year, we have made considerable progress in implementing these steps. Our new waybill system, with its new classification system, is in place and giving us the detailed knowledge on liquid waste movements that we need.

The classification system and waste disposal guidelines set out requirements for treatment and disposal of these wastes. These guidelines are now assisting industry in safely handling the materials.

Regulations are being prepared to require registration of wastes, to direct wastes to specific treatment methods and to establish perpetual care funds for waste disposal sites. In October, we released a ministry interim report on the subject of perpetual care and are currently obtaining public feedback.

On the transboundary movement of wastes, discussions are continuing with the federal government and an initial draft proposal has been released by them.

With regard to facilities and site selection, we have already chosen two short-term solidification facilities. The MacLaren report which identifies 17 candidate areas for long-term disposal has been released and we are obtaining public response.

When I introduced the program, I said interim storage facilities would be needed for some of these wastes until adequate, permanent disposal sites could be established. Safe storage is particularly crucial for PCBs, as there are no facilities currently available for their disposal.

I told the committee that the government was prepared to assume the lead in order to obtain these vital sites and that we would ensure they were established in the safest possible manner.

To this end, the ministry retained the consulting services of M. M. Dillon Limited, a Toronto engineering company, to recommend criteria and locations for establishing interim storage facilities for PCBs.

The primary recommendation of their report, which I am tabling today, is that one facility be established as soon as possible to store PCBs. This storage will be needed until plans and facilities can be completed for permanent destruction.

The report considered 53 potential locations under many criteria designed to ensure that a temporary storage site would be secure. While storage is a safe temporary control for PCBs, we asked the consultant to consider a wide variety of factors to make sure such a site would be ideally located. Many of these factors were obtained through consultation with environmental groups.

Some of these factors were: proximity to major PCB sources as opposed to distance from population centres; distance from major water bodies, environmentally sensitive areas and unusual geological features; existing land use; and good access and control of the site.

Based on these and other criteria, Dillon has recommended three preferred sites: South Cayuga, the Blenheim area and the Middleport area. Of those three, the ministry's technical staff has chosen the Middleport-area site for a detailed environmental assessment and proposed development.

They made this choice for a number of reasons. Since electrical transformers and capacitors represent the bulk use of PCBs, we felt it was appropriate the storage facility be located on Ontario Hydro property if possible. The Middleport site qualifies on that point.

The location also offers good control of the site as well as good access. No initial preparation of roads will be required. In addition, the facility will be close to major PCB sources so there will be a minimum transportation risk. Middleport is 15 kilometres southeast of Brantford. The proposed facility will be six kilometres from Middleport itself.

The proposal is to incorporate both bulk and warehouse storage, with special handling methods designed to protect the surrounding

area. A minimum of 40 acres would be required for the overall installation, and the report recommends that the warehouse and storage facilities cover four and one half acres on that site.

Dillon has calculated that if the facility were to operate over a five-year period, it would handle approximately 4,950 tons of PCBs in liquids, contaminated fluids and solids.

Because of the importance of this facility to the citizens of Ontario, I want to keep them as fully informed as possible and involved in the decision-making process. To this end, I am proposing that a citizen-liaison committee be established with representatives from society at large, area residents and ministry technical staff. In that way, I feel we can ensure not only that the public is kept fully informed through all stages of this proposed development, but also that their input is considered and their concerns fully answered. To start this process, my staff have already been in touch with the appropriate municipal representatives.

In co-operation with the consulting firm, the ministry is gathering the information necessary for the proposal under the Environmental Assessment Act. This and any other data will be made available to the residents and the public through the liaison committee, and through open information meetings, prior to the hearing before the Environmental Assessment Board. I give my personal guarantee that everything will be done to ensure citizens are kept fully informed on every step of this process.

The Dillon report has estimated that there are currently 14,430 tons of PCB material being used in existing transformers and capacitors all over the province. As these transformers and capacitors come out of service over the next several years, their contents eventually will join the additional 550 tons estimated to be in storage now in various locations.

If this chemical is not properly stored as it comes out of use, it will without doubt contaminate our environment and work its way into our food chain. Ontario needs one site where we can ensure that storage of our PCBs is done safely and securely.

I would also like to stress that safe storage can only be a partial remedy. We need a facility which will provide for the complete destruction of PCBs and we need it as soon as possible. I am sure the members are aware of the efforts of my ministry in making an effort to find the best way to accomplish this, just as I am sure they are aware that public acceptance is difficult to achieve.

We in Ontario have made use of this chemical; so we must all accept the responsibility for its disposal. If approved, the Middleport facility will give us the needed time to establish the safe and efficient disposal facility which we so urgently need to eliminate this hazardous substance from our society.

I feel this last year has been a year of marked progress. This is one more step in the eventual and complete control of hazardous waste for the protection of the people of this province.

ORAL QUESTIONS

DISPOSAL OF PCBs

Mr. S. Smith: Mr. Speaker, I would like to ask a question of the Minister of the Environment. I won't ask him how come all the areas studied and stored in always happen to be Liberal ridings, because apparently they can't be burned in Conservative ridings.

In view of the professed interest of the minister in making sure that citizens are kept informed and participating in the fullest way possible, I would like to ask whether, in these unusual circumstances and given the urgency of the matter, the minister will endeavour to provide funding for the various citizen groups which undoubtedly will wish to be represented at the hearings, to bring expert testimony and have assistance with regard to asking the proper questions and cross-examination and so on.

Given the funding that obviously exists on the side that will be proposing the facility, how about giving some fair chance to the citizens who might want to make sure all the experts are brought in who might have contrary views? Why doesn't the ministry fund them to make it a fair and equitable hearing?

Hon. Mr. Parrott: I have several responses to that question, Mr. Speaker. The first response I would like to give is in reply to the inference that somehow or other there was partisan political consideration in these deliberations. Let me tell the honourable member that this side of the House is not prepared to play those nasty games that they are continually playing. We are not prepared to do that.

Interjection.

Mr. Speaker: Order.

Hon. Mr. Parrott: The leader of the Liberal Party has a few attributes of his personality, of his facial configurations, that aren't any hell either. He talks about my long nose; I

admit it, but it may be it is going to help me sniff him out.

Let me talk more seriously about this very serious concern.

Mr. Eakins: Be serious.

Hon. Mr. Parrott: I will be a lot more serious, I am afraid, than some of the members opposite who are taking a view on this item and many other environmental items.

Mr. Speaker: Just answer the question.

Hon. Mr. Parrott: I am sorry, Mr. Speaker. It is hard not to hear those nasty remarks.

[2:15]

Perhaps the leader of the Liberal Party is not aware of the complete protection that is embodied in the Environmental Assessment Act for the people of the province. I have said to him repeatedly that any waste site will be done under the Environmental Assessment Act. It's another commitment here. I have, on previous occasions, brought in the most expert of witnesses to give the full facts before an environmental assessment hearing. We will continue to do that.

We believe that process does allow for the witnesses to come, and does allow for the public to be protected. No, I don't see the need for funding on a specific case, such as this illustration. I disagree. I think our job is to put the facts clearly and fully on the table and let the board make the decision as they should do.

Mr. S. Smith: Even with the best will in the world on the part of the government, which we seriously question, does the minister not realize that any system of hearings, any quasi-judicial situation, requires to some extent that those who might be adversaries in the process also have a reasonable opportunity to be well represented and well defended as necessary?

Does the minister not see that in providing, for instance, the $200,000 to a couple of companies that are having hearings on a certification project in Blenheim and Niagara Falls, the ministry is on one side of the matter? If the citizens' groups are to participate meaningfully, as did the Indian group, for instance, in front of Mr. Justice Patrick Hartt, they require funding so as to get their own experts, not just the ministry's experts who are giving the ministry viewpoint. They require funding to make a fair and adequate presentation of whatever case they might wish to present so that thoroughness will be the order of the day. Why not be fair and equitable and, in this instance, provide a certain pool of funding for the citizens in that area, given the importance of the matter?

Hon. Mr. Parrott: What the Leader of the Opposition does not seem to understand or recognize is that the function of the ministry, paid for by the taxpayers, the servants of the taxpayers, is to put all that information clearly in front of the board.

He scoffs at those in my ministry who will put in great numbers of hours and a great deal of expertise forward for a hearing—not to gloss over the facts somehow or other, but to the contrary.

I think the recent events in Mississauga gave a credibility to my ministry that was never quite seen before. Let me say, in that instance, the people turned to my ministry to be guaranteed there was complete safety there. They were quite willing to accept that expert—

Mr. S. Smith: On PCBs?

Hon. Mr. Parrott: No. I am saying, in the recent spill they turned to my ministry and wanted all of our expertise; more important, and to their credit, they trusted us. In this open process my ministry has, we do put all of the facts forward—not just the pros, but indeed the pros and cons.

If the Leader of the Opposition is saying he cannot trust my ministry, he is dead wrong.

Ms. Bryden: Supplementary, Mr. Speaker: I am glad to see the leader of the Liberal Party has accepted an idea I have been proposing for two years. I would like to ask the minister, does he not agree he will never obtain public acceptance for the location of disposal sites in any municipality unless the people in that municipality see they have had full opportunity to present their case, which requires public funding of citizen groups and public assistance in some cases to the municipalities which may wish to present the case for the citizens as a whole? I cannot see how he can get public acceptance if the people do not think they are being given full opportunity to state their own case. They do not wish to have the ministry state their case for them. They have their own concerns.

Hon. Mr. Parrott: I can add very little to what I have already said. This process of environmental assessment is the most open and the most progressive of any jurisdiction. The opportunity is certainly there, and the expertise is available for the citizens' groups. We are prepared to work with them. Why else would I have suggested my staff would sit with those public groups, other than to ensure the fullest disclosure of the facts and the fullest amount of information we can possibly give?

I will tell the Leader of the Opposition we do it from an open-mind position, not a positive position that there is no answer to the problem of waste in this province. Indeed, there must be answers and we are seeking to find them. In the last year we have found many of them.

Mr. J. Reed: Supplementary, Mr. Speaker: If the Environmental Assessment Act is so wonderful in the eyes of the ministry, why are there so many exemptions to it on government projects?

Hon. Mr. Parrott: If the honourable member looks at the situation, Mr. Speaker, he will realize in 1975 there was a very extended grandfathering period, if I can use that term, where it was known those projects which were already under way would, therefore, not logically now start to be under the Environmental Assessment Act. That's the way it was then, and it had a lot of logic in it. It wasn't as though those discussions went on without a hearing. The hearing was held under two other acts, the Environmental Protection Act and the Ontario Water Resources Act.

To have a full and complete environmental assessment, one must start at the conceptual stage of a project, well in advance of acquiring property, well in advance of making some of those decisions that have to be made and many years in advance of a facility's coming on stream. In the last little while, we are seeing those projects coming under the full review of the Environmental Assessment Act. A whole new change of direction will be seen. I think what has happened was very logical. The act is coming into full force now.

NATURAL GAS CONVERSION

Mr. S. Smith: I have a question for the Minister of Energy, Mr. Speaker. Since I believe the minister agrees the problems in energy are that we are running out of cheap oil in this country and not running out of natural gas, can the minister tell us exactly what his government is doing to expand the availability of natural gas in areas of our province which are not now covered, such as some of the smaller urban centres like Madoc, Bancroft and places of this kind? What is the government doing now to expand the availability of natural gas to centres of this kind in Ontario?

Hon. Mr. Welch: At the present time, Mr. Speaker, as the Leader of the Opposition will know as a result of an announcement, the information on which I shared with members of the general government committee last week in the estimates, the established natural gas suppliers are very busy at the moment trying to cope with the numerous requests for conversion. The information that was shared with the committee at that time shows the amount of interest there is in this particular program on the part of the consumers in already serviced areas and areas that can be accommodated for this. This occupies a great deal of their time in order to meet that particular demand.

My understanding—and I am meeting with the natural gas companies shortly—is that they are awaiting some further particulars and some further information on the incentive program, about which we have been hearing briefly during the course of the last few weeks, and how that program might relate to opportunities which they might seize to expand service in areas not now serviced by these companies in order to provide natural gas to those particular parts of the province.

Mr. S. Smith: I take it the government is basically waiting for the outcome of certain discussions to do with incentive pricing of natural gas, if I understood what the minister said. He's nodding his head. I assume I have then.

Can the minister then comment on these discussions, and in particular can he comment on the report that the government of Alberta is considering a scheme which would reduce the price of natural gas to 65 per cent of the equivalent price of oil? Can he tell us, particularly, whether the government of Ontario is demanding that this reduction be of such a nature that the benefits are actually passed on directly to the consumer in the form of a lower price paid, or is it simply going to go to the companies themselves?

Hon. Mr. Welch: The Leader of the Opposition should understand that we have been trying to get some clarification with respect to the program. It has only been talked about in generalities. We have no more detail, and we are trying to get some clarification, as I am sure the natural gas companies are, as well. At that time we will be able to comment.

There is no point in announcing a position with respect to a program about which we are trying to get some details in order that we can have a position. In other words, how would we be able to be specific with respect to answering your question until such time as we know what the program being proposed actually is?

Mr. Cassidy: A supplementary, Mr. Speaker: Since the most accessible means of

saving on our supplies of heating oil in the winter of 1981-82 is going to be conversion to natural gas, will the minister undertake to meet with the industry providing conversion equipment so as to ensure there are no supply bottlenecks next winter or the winter after that?

Will the government undertake to bring in incentive programs to help encourage home owners to make the switch from heating oil to natural gas at the earliest opportunity?

Hon. Mr. Welch: As the honourable member knows, Mr. Speaker, the government of this province has taken a position with respect to the price of natural gas that it should be unpegged and provide an even greater incentive with respect to its use as an alternative to home heating oil.

With respect to the latter part of the honourable member's question, we will be able to make some statement with respect to our program in that area once we have some clarification with respect to what we have been reading about in general terms insofar as a new incentive program is concerned related to the pricing situation, as he indicates.

In answering his question, I assume the equipment he is talking about is what is needed for purposes of conversion. As the honourable member will know, one of the reasons for the backlog at the moment is the inability of the suppliers to keep up with the demand in this particular jurisdiction. I agree with him we should be doing all we can in addressing that particular situation to cope with the increased demand for conversion.

Mr. Sargent: Here is an easy question for the minister, Mr. Speaker. In the event that the conversion from oil to gas doesn't come on stream and there is a big shortage of energy, would he consider setting up a multi-million-dollar make-work program for cutting down the thousands and thousands of dead elm trees in our part of Ontario, to make work and provide firewood for stoves?

Hon. Mr. Welch: Mr. Speaker, I am very optimistic that the conversion program to natural gas, which we have been talking about in this exchange, will be quite successful.

Mr. Peterson: Mr. Speaker, speaking about this conversion program—we have had a lot of talk about that, and I have seen no government policy heretofore—is the minister aware of the very serious difficulties the natural gas companies, and particularly Union Gas, make and cause for the people who want to convert? For example, they will not pump out the oil; they will not take out the oil tanks the people have in their houses; they will provide no trade-in value for a perfectly good oil furnace in place.

Does the minister not feel that his government should talk to those distributors, to force them to give people who want to convert—because it is obviously the correct thing to do—a far better shake and not take advantage of them financially the way they are doing?

Hon. Mr. Welch: You will recall, Mr. Speaker, that some weeks ago, during the course of a debate on our energy policy, the honourable member who has just asked a supplementary question did recite in some detail the problems he personally was having with respect to conversion in this particular matter. I want to assure him that I have sent a copy of the Hansard report of that particular debate directly to the president of the company that services that area.

[2:30]

LEGISLATION FOR THE HANDICAPPED

Mr. Cassidy: Mr. Speaker, I have a question to the Premier about the government's efforts to provide protection against discrimination against the handicapped and specifically about Bill 188.

In view of the mounting opposition by groups representing the disabled to the government's bill to protect the handicapped against discrimination, and since these groups have taken the view that the bill is grossly inadequate and a separate bill would lead to separate and unequal status for the handicapped, will the government now agree to withdraw Bill 188 and to bring in an adequate, comprehensive and effective bill to protect the handicapped against discrimination as amendments to the Ontario Human Rights Code?

Hon. Mr. Davis: Mr. Speaker, I'm sure the leader of the New Democratic Party shares the government's desire to deal with this issue. We intend to move ahead with the legislation related to the handicapped.

I understand that some concerns have been expressed; the minister will be addressing these concerns in meetings with those people wishing to make these representations.

It is the intention of the government to have as comprehensive a bill as possible. To delay it, to suggest that it come in as part of amendments to the Ontario Human Rights Code, would not be moving the process ahead. If there are some alterations to be made in the bill itself—and I haven't met

with these groups yet, but I know the minister is in the process—we are quite prepared to do that.

We want to see that particular legislation approved by this House. The minister will have more to say on it after he has had meetings with the groups who are registering these concerns.

Mr. Cassidy: Is the Premier not aware of the overwhelming opposition to the proposed legislation by the groups representing the handicapped to the point where they are prepared to accept certain delays in the legislation if they can get a guarantee from the government that it will be replaced by amendments to the Human Rights Code?

Is the Premier also aware that there was no consultation to speak of with those groups or with the advisory committee for the physically handicapped in Ontario? Since that consultation did not take place prior to the bill, and since these groups are now saying they don't want this bill in its present form but want amendments to the Human Rights Code, why will the government not accept their view, consult with them, and bring in the amendments to the Human Rights Code as they are proposing them?

Hon. Mr. Davis: The minister has every intention of meeting with those groups. In fact, there was consultation prior to the legislation, and the minister will be meeting with them in an attempt to resolve the difficulties.

Mr. S. Smith: In view of the opinions being expressed by the representatives of the handicapped, why would the Premier not bring in a bill to amend the Human Rights Code and then allow any further amendments that might happen to come up for debate to be voted on by a free vote, just as the federal House has had on a number of matters?

Mr. Sterling: Why free?

Hon. Mr. Baetz: Have you no position?

Mr. Speaker: Order.

Mr. S. Smith: The words "free vote" seem to cause a tremendous degree of consternation over there. I can appreciate that; I can understand that; I'm not sure if they're more nervous about the word "vote" or the word "free." "Vote" is somewhat nerve-racking for these people.

Mr. Speaker: What was the question?

Mr. S. Smith: The question is, why would the Premier not accede to the wishes of the handicapped persons and have a proper amendment to the Ontario Human Rights Code brought before us for debate and accept that, if other matters happen to come before this House by way of amendment, those should be voted on by way of a free vote? Why does the Premier find that an unacceptable procedure?

Hon. Mr. Davis: Mr. Speaker, I won't embarrass the leader of—he's not of the Liberal Party any more; I see in all his communiques he leaves the word off. I knew why he did that federally but why is he doing it provincially? I've never found a party name to be offensive.

Mr. Peterson: Your own name is offensive.

Hon. Mr. Davis: I understand that, but don't apply that to all my relatives.

I won't embarrass the Leader of the Opposition as to why he wants to talk about free votes and why he would leave the leadership of his party if there wasn't a free vote. I won't pursue that because I think it's really rather ludicrous in the context of this very serious matter of dealing with legislation for the handicapped.

As I said to the leader of the New Democratic Party, the minister will be meeting with the groups who have expressed an interest. Surely the members of this House are anxious to have legislation dealing with the question of the handicapped, and we as a government would like to see this proceed. I think really what the member is suggesting is a political device to get himself off the hook with his own caucus; but he has to solve that himself.

Interjections.

Mr. Speaker: Order. Every member of this Legislature has a right to participate in the question period. Most of all, they have a right to be heard.

Mr. Mackenzie: Supplementary, Mr. Speaker: May I ask the Premier why we should accept a bad bill, with the argument that we need to get legislation through in a hurry, when we have been waiting since 1974 and 1975; then, from 1977 on, we were promised there would be amendments to the Ontario Human Rights Code? It doesn't make sense to try to use the argument of haste now with what is simply a bad bill.

Hon. Mr. Davis: This government is interested in good legislation, Mr. Speaker. Those members may not be, but we are, and we intend—

Mr. Bounsall: You don't have good legislation here.

Hon. Mr. Davis: Listen. The history of that party doesn't indicate they are at all interested in good legislation. It is always a parochial, non-objective point of view they express over there.

We are prepared to consult with those groups which have a vital interest in this. That is the intention of the minister and of the government. If it is necessary to make alterations to the bill, to accommodate legitimate concerns, we are quite prepared to do so. I am simply suggesting if members want to delay this process for some period of time, that's fine; but we would like to move ahead.

Mr. S. Smith: Since everyone in Ontario is aware the reason the Premier didn't bring in an amendment to the Ontario Human Rights Code was to get himself off the political hook, why doesn't he show the courage now? Let him bring it in, and let's see where the members of his party stand. Let's see where the Attorney General (Mr. McMurtry) stands. Let's see where the Minister of Industry and Tourism (Mr. Grossman) stands. Bring it forward and let's see where they stand over there.

Hon. Mr. Davis: I only go by what I read. Quite obviously, like a fish, the Leader of the Opposition took the bait today, hook, line and sinker.

MINING COMMUNITIES

Mr. Cassidy: A question to the Premier, Mr. Speaker: In view of the fact that it is now two years since the Premier announced the formation of his cabinet committee on the economic future of mining communities, and since in that two-year period four of the nine iron ore mines in Ontario have closed down, can the Premier say what specific policies the cabinet committee has recommended to bring about the revival of one-industry towns which have been affected, such as Atikokan?

Hon. Mr. Davis. Mr. Speaker, I think the Treasurer (Mr. F. S. Miller) read into the record yesterday some material related to this matter. It is still a problem. The member's colleague the member for Sudbury East (Mr. Martel) asked the identical question when his leader was away two or three days ago.

I acknowledge there is some difficulty, and there is no simple solution to it.

Mr. Cassidy: Can the Premier say if the cabinet committee continues to meet on the economic future of mining communities, and when does it intend to bring forward in this Legislature a policy to deal with the future of single-industry towns in northern Ontario?

Hon. Mr. Davis: The committee doesn't function just related to the question of mining. It also relates to the pulp and paper industry. While they don't like the policy we have adopted, those members who have constituents in those communities who do relate to the pulp and paper industry are very much in support of the policy we have introduced just to deal with that particular problem in northern Ontario.

Mr. T. P. Reid: Mr. Speaker, a supplementary question to the Premier: In view of the lengthy answer I got from the Treasurer (Mr. F. S. Miller) yesterday, I would like to put the question to the Premier as well. While I appreciate some of the things that have been done, would he not agree that it is time those communities could expect some guidelines as to what the government is going to do in regard to expanding the economic base, expanding tourism, providing industrial development officers and assisting in supporting the tax base of those communities that are losing their industries?

Does the Premier not agree that it is time there was a set of well-known rules and guidelines to deal with these specific problems?

Hon. Mr. Davis: I don't think it's a question of a well-known set of guidelines. I think one deals with these situations, not necessarily individually but in terms of attempting to help those communities. For instance, what the Minister of Industry and Tourism has introduced with respect to the tourist industry, I think is probably going to have a significant impact on some of those communities about which the honourable member is concerned.

I'm not kidding anyone. We don't pretend to have answers to every individual problem. As a government we have been making some progress in terms of the pulp and paper industry, which the honourable member, in fairness, has supported, in spite of the fact that the member's leader hasn't. I thank him for that. The member's leader didn't hear me refer to the fact that the member was supporting that policy while he didn't—but that's not unusual in the Liberal caucus, in any event, so it doesn't surprise me.

Mr. Foulds: Supplementary, Mr. Speaker: If the Premier has admitted he doesn't have any answers to the problems of one-industry mining towns in northern Ontario, can he, as a member of the cabinet committee—and I assume he is a member of that cabinet committee—tell us if he has asked the right questions regarding the future of one-industry mining towns in northern Ontario?

For example, has the committee specifically studied the report that was undertaken by the three steel producers of Ontario—Algoma, Stelco and Dofasco—with regard to the amounts of ore in northwestern Ontario?

What independent studies has his government done, and what will he tell the Legislature about the viability of those deposits at the Caland mines, Bending Lake and Lake St. Joseph?

Hon. Mr. Davis: Mr. Speaker, these matters are being studied by the ministry and by the cabinet committee.

I'm sort of an ex officio member of all cabinet committees, I should inform the honourable member. The difficulty is not always in asking the right questions, as I find here every day of the week except Wednesdays. The difficulty is finding the answer. The questions are there.

TEACHER-BOARD DISPUTES

Mr. Cunningham: Mr. Speaker, I have a question of the Minister of Education. I'm glad to see she is here and I hope she is feeling a little better. My question relates to the continuing contract difficulties in Brant county and in North York with regard to the teaching disruptions there.

Is the minister today in a position to explain what progress is being made in those particular situations and would she be in a position to recommend that compulsory arbitration take place, especially in view of the length of the disruption and the fact that both parties seem to be very far apart, and in view of the fact that we're winding up around here and we may not be in a position to legislate them back?

Hon. Miss Stephenson: Mr. Speaker, at this point in time, I have no intention of legislating anyone back. It seems to me it is up to the parties to the dispute in Brant to find a solution to their problems with the assistance which can be provided for them through the Education Relations Commission.

I think if the parties to that dispute are looking for the Legislature to solve their problems for them, they may be gravely disappointed. However, if indeed the educational program of those children is in jeopardy, I can promise the parties to that dispute that we will find a solution which will probably be unsatisfactory to both of them. But we are concerned primarily about the children and about the educational program.

It is certainly the best solution in any of these circumstances that a negotiated agreement, agreed to by both parties, provide the basis for the contract upon which they will work together for the ensuing years. I would hope the parties to these disputes would listen to that, would understand that philosophy and make every attempt to find those solutions.

Mr. Cunningham: I have a supplementary question relating to the difficulty facing the North York high-school students in their desire to compete in extracurricular athletic activities.

As a matter of policy, does the government condone the possible threat of sanctions or blacklisting of coaches who participate in teams from schools that currently are involved in disruptions? Will the minister take some kind of specific, finite and definite action to ensure that students may participate in athletic competition in Ontario, regardless of whether there are sanctions in force?

Mr. Speaker: That is really not a supplementary, but if the minister has a brief response I'll let her answer it.

Hon. Miss Stephenson: Mr. Speaker, I would agree that it is scarcely a supplementary. However, that is one specifically peculiar situation which is a matter of grave concern to me. It is one of the reasons I established the external review committee to look at the terms and conditions of Bill 100, because the concept of work to rule is one which has potentially great damage and jeopardy for the rounded educational program of students. It is one which should be examined very carefully by those who are concerned about the board-teacher relationship and the legislation which controls that relationship.

Mr. S. Smith: By way of supplementary, the minister must surely be aware there are student demonstrations allegedly planned for North York because of the work-to-rule situation. Given the fact feelings are running very high and that if there are disruptions individual schools might end up being closed, to nobody's benefit, why does the minister insist on going through with this obviously wrong principle? Why doesn't she bring together the sides for final offer selection or some other form of compulsory arbitration, put an end to the work to rule and put an end to the strike in Brant county? Why do those children have to suffer when there is nothing they can possibly do to remedy the situation?

Hon. Miss Stephenson: First, I would like to remind the Leader of the Opposition that students in North York have provided a model of behaviour which we in this Legislature would do well to emulate from time to time. They have functioned extremely responsibly and are certainly providing an example for both the board and the teachers'

federation in their responsible approach to the problem they're facing. There is no indication at this point there will be demonstrations of any kind. I think it's unfair of the Leader of the Opposition to suggest to the media that these are impending or imminent activities.

There will be a meeting of the North York Council of Student Presidents within the next day or so to consider future action as a result of the very careful deliberations which the student presidents have taken over the last several weeks. I am in very frequent contact with those representatives because many of them live in my own riding. I'm extremely proud of them. They're doing a very good job and we are attempting to do what we can to help.

I would remind the Leader of the Opposition the teachers' federation was offered final offer selection and rejected it out of hand by a very large majority. Final offer selection is no panacea. It is fine for specific, singular items for solution, but in the broad spectrum of solutions which must be found it is no answer at all. That board and that local of the teachers' federation must find a solution to their problem. We are willing to provide them with any assistance we can to help them to find that solution, but they must find it.

ENERGY EXPORTS

Ms. Gigantes: I have a question of the Minister of Energy. Now that the Prime Minister has indicated a unilateral willingness to supply the US with emergency oil and given that Canada is already a signatory to the emergency oil-sharing agreements of the International Energy Agency, can the minister inform this House whether he has obtained a firm understanding from the federal government of what the implications may entail for Ontario this winter?

Hon. Mr. Welch: I haven't any firm information from the federal ministry relative to the news item carried today in connection with some modification with respect to a small increase in the export of heavy crude oil. As the honourable member will know because of her visit to the National Energy Board at the end of last week, I am expecting within the next day or two an update with respect to the supply situation as of the end of October on the basis of the November 10 accumulation. Perhaps once I have that I will be in a better position to share with the honourable member in the House the details of that particular matter.

Ms. Gigantes: Supplementary, Mr. Speaker: I was not alluding to any forthcoming pronouncements from the NEB. I ask, in a supplementary way, is the minister satisfied with the terms of the international oil-sharing arrangement which commits Canada to cutting oil imports by 47 per cent, while the US is only obligated to cutting oil imports by 19 per cent if an emergency is declared? Is he able to tell us what a 47 per cent cut in Canadian oil imports would mean to residential and business consumers in this province?

Hon. Mr. Welch: As far as Ontario is concerned, we are not dependent at the moment on any imports at all. The approximate 20 per cent of the national needs is all for the eastern part of Canada. The implications as far as Ontario is concerned wouldn't be great unless there was to be some rearrangement with respect to the country because of that emergency.

As the honourable member appreciates, and I hope she does, it is very difficult to answer hypothetical questions with respect to this matter. I think the important thing for Canadians as of this December day is that there is apparently no need to respond to any particular emergency situation, but we have to monitor these matters in so far as our own supply is, from time to time, on the basis of the actual situation. We have federal legislation which would be brought into play if need be to arrange for the national situation in the event of some problems with respect to supply.

Mr. J. Reed: Mr. Speaker, since this subject of petroleum supply for Ontario was first brought to this House on October 12, and since between that time and now nothing substantive whatsoever has taken place, all that has happened is rhetoric of one sort or another, will the minister undertake to deliver one statement to the House this next week which indicates comprehensive action on his part to soften the blow that ultimately will occur?

Hon. Mr. Welch: Mr. Speaker, I feel the honourable member is not being quite fair in the preamble to his question. Every time a question with respect to supply has been brought up, we have responded on the basis of information which has been made available to us and on the basis of information the ministry has been able to obtain in consultation with the oil companies.

I am told that the November 10 information is now with the board. I have a Telex which I received just before coming into the House which would indicate that I will have an update on that matter.

I am told also that the media release will again stress the obvious need to curb consumption—a point which the honourable member has shared during his question—conservation of our resources, whatever the results of that particular survey are and will properly caution against alarm. That has always been my concern in responding to questions—wanting to share information which the honourable members are entitled to have without creating the problem itself.

SAFETY AT ROCK CONCERTS

Mr. G. Taylor: Mr. Speaker, I have a question of the Solicitor General concerning the recent disaster in Cincinnati involving a rock concert and the loss of life and injury there.

As the Solicitor General, being the man responsible for disasters and the authority in the fire marshal's department—

Mr. Speaker: I think that would be a legitimate point of privilege.

Mr. G. Taylor: The minister will respond to that at the appropriate time, Mr. Speaker.

Would the minister, in his capacity as the chief person in that regard, have the legislation reviewed or the public halls reviewed to make sure a similar disaster would not happen here? I have attended with my children at rock concerts in Maple Leaf Gardens, where they have some 3,000 people on the floor of the ice surface and another 16,000 in the seating section and the performers—

Mr. Speaker: The question has been asked.

Mr. G. Taylor: Thank you, Mr. Speaker. I have more detail, if you so desire.

Mr. Speaker: Does the Solicitor General have a response?

Hon. Mr. McMurtry: I don't know if I have a response, but I have a defence. Obviously, I am reluctant to accept responsibility for disasters, despite the allegations I hear across the aisle from day to day.

Seriously, Mr. Speaker, this is obviously a very tragic, very distressing occurrence. Certainly we will want to learn as much as we can from that very terrible tragedy to avoid any such occurrence in this province.

Mr. Speaker: The Minister of Housing has the answer to a question asked previously.

OLC SALE OF LOTS

Hon. Mr. Bennett: On November 29 there was a question asked by the member for St. Catharines concerning land offered for sale by the Ontario Land Corporation in Niagara Falls and Welland.

The Ontario Land Corporation owns serviced lots in these municipalities: 41 lots in Welland and 129 in Niagara Falls. Last September these lots were offered for sale to the builders registered with the Housing and Urban Development Association of Canada new home warranty program. They were also advertised four times in the Welland Tribune and the Niagara Falls Review.

Market studies in July and consultation with the local Canada Mortgage and Housing Corporation office indicated prices for serviced lots in Niagara Falls ranged from $300 to $325 per foot frontage. Therefore, OLC's asking price for a 40-foot single lot was $12,000, which was at the low end of market. In Welland, the market price in July ranged from $300 to $325 per frontage foot, or $15,000 for a typical 50-foot lot, again based on the low end of market.

In view of the lack of response from qualified builders, asking prices were reduced to $11,000 per lot in Niagara Falls and $14,500 in Welland. This was communicated to over 300 HUDAC builders on November 9 by a circular letter addressed "to whom it may concern." I would be pleased to provide to the member for St. Catharines the mailing list of the builders who received the circular.

It is OLC's policy to sell lands to builders registered with the HUDAC home warranty program. If the member or others have individuals who are willing to buy lots from OLC from its surplus inventory, I would be pleased to hear from them. One of the reasons we have tried to sell to developers is for the simple reason that quite often grading and levelling and subdivision agreements must be entered into with the municipalities.

Mr. Bradley: A supplementary, Mr. Speaker: Is the minister clearly saying the average individual citizen who doesn't happen to be in the building industry will be eligible to purchase these lots and the minister will assure me if those people make applications to purchase one of those lots they will have an opportunity to purchase them?

Hon. Mr. Bennett: If the lot is ready and able to be sold as an individual lot, we would entertain an offer from an individual anywhere in this province. If the lot happens to be in a condition whereby it must be part of an overall subdivision because of grading and service requirements, then obviously it would have to be sold as a parcel to afford the opportunity of moving out the surplus lands from OLC.

PRESTOLITE PLANT

Mr. Blundy: Mr. Speaker, I have a question for the Ministry of Industry and Tourism. Is the minister aware that a new group

of investors has come forth to join Joe Mason and the employees in the reopening of the Prestolite plant?

Is the minister prepared to discuss with these people the provision of provincial funds under the Employment Development Fund as he was in the case of the previous people involved in the reopening of this plant?

Thirdly, has the ministry been approached by the new investors for such moneys?

Hon. Mr. Grossman: Yes, yes and indirectly.

[3:00]

AMBASSADOR BRIDGE

Mr. Bounsall: A question of the Ministry of Industry and Tourism, Mr. Speaker. We will try the minister again.

Is the minister aware that Central Cartage of Michigan has dropped its application before the Foreign Investment Review Agency for the purchase of the Ambassador Bridge between Windsor and Detroit, the only bridge of the 14 between Ontario and the United States that is not government owned? It is now applying under the name of Fallbridge Holdings, a Canadian incorporated company but wholly owned by Central Cartage and therefore still a foreign-owned company. Will the minister in this government ensure that this sale to this foreign company be vigorously opposed before FIRA?

Hon. Mr. Grossman: Of course, the member well knows that all we do in the case of FIRA applications is to convey to the federal government our feelings with regard to any particular application, whether they meet our priorities and whether or not they are consistent with our goals and ambitions.

As the member is well aware, pursuant to the FIRA legislation we cannot disclose the recommendations we may make to the federal government. I think though it would be fairly safe for the member to conclude that as minister of tourism and as minister responsible for industry as well I would have certain predictable reservations about the ownership of that particular bridge, which is so important to both industry and tourism in the province.

Mr. Bounsall: Supplementary: If the Canadian government and this government continue to be uninterested in purchasing this very profitable endeavour—over $2 million per year profit—would the minister at least ensure that this bridge eventually comes under government control? Or indeed, would he discuss the matter with his colleague the Minister of Intergovernmental Affairs (Mr. Wells), to determine whether or not the Ontario Municipal Board would be inclined to allow the city of Windsor to float additional debentures to purchase this bridge at a very reasonable price, particularly in view of the tremendous profitability of this venture?

Hon. Mr. Grossman: I would be pleased to pursue the latter suggestion with my colleagues. I am not sure that we might have so direct a degree of influence on the discussions and the decisions of the OMB that we may make that possible.

I will say that I for one, would much prefer to see the bridge owned by, for example, the city of Windsor, than by a private company be it Canadian or American.

RAPE CRISIS CENTRES

Hon. Mr. Timbrell: Mr. Speaker, yesterday part of a series of questions was asked by the member for York Centre (Mr. Stong) of my colleague, the Provincial Secretary for Justice (Mr. Walker), about the policies of St. Joseph's and Queensway Hospitals with respect to the inspection of possible rape victims.

The staff of my ministry have been in contact this morning with the chief administrators of both hospitals, both of whom have assured us it is their policy to examine possible rape victims.

SALES TAX REBATES

Hon. Mr. Maeck: I will try to be as short as possible Mr. Speaker. This is to provide some additional clarification of my earlier response to the question raised by the member for Victoria-Haliburton (Mr. Eakins), concerning refund of sales tax to a vendor whose customer becomes bankrupt before paying taxes.

Where a merchant sells taxable goods on credit and the account becomes a bad debt, the sales tax legislation allows us to refund to the merchant the tax on this sale if he has submitted it to us. Provided that the merchant does not continue to extend credit to his customer, we will refund the tax outstanding from credit sales made in the last six months. I referred to 18 months; I correct that, it's six months of dealing with the customer.

I should emphasize however, that this provision applies only to the sale of goods and not, for example, to the sale of buildings where the tax is paid by the contractor and not by the purchaser of the building.

In the case raised by the honourable member involving bankruptcy of a customer, the tax portion of the outstanding account at the time of bankruptcy will probably be refund-

able. However, if the member would like to provide me with details of the specific case I would be prepared to look into it for him.

TRANSPORTATION OF DANGEROUS GOODS

Mr. Swart: My question, Mr. Speaker, is of the Minister of Transportation and Communications. Will he recall that last Tuesday I asked his colleague, the Minister of the Environment (Mr. Parrott), to investigate and intervene in the storage of explosives and toxics and flammable materials in rail cars in the Port Robinson railyards and he replied that the Minister of Transportation and Communications had made representation to the federal Minister of Transport on this overall issue and that an interim order on the make-up of the trains would be made in a day or two? I ask the minister now if he has seen Bill C-25, the federal answer to the problem. If he has seen it doesn't he agree that that bill is wholly inadequate and can he tell the House whether that interim order was made last week and, if so, does it apply to situations like the one in Port Robinson?

Hon. Mr. Snow: Mr. Speaker, yes, we have seen the new bill and we have the draft regulations. Although we are reviewing the bill I couldn't at this moment agree with the honourable member that it is totally inadequate.

In regard to the interim order, I have information that the order was issued by way of a Telex message to the railway companies. It was last week, as I indicated that it probably would be. The wording of the order does provide that tank car shipments of flammable compressed gases must be separated from the tank-car shipments of chlorine, hydrous ammonia and sulphur dioxide by at least five non-placarded rail cars which are not listed in section 74-589(j) of the so-called red book of the Canadian Transport Commission.

I just have a Telex message on this matter. I haven't actually seen the printed order because, as I understand it, it was being translated and printed so it could be officially presented and gazetted in both languages. The order does provide for the separation of cars in the train by five cars carrying non-dangerous materials.

Mr. Swart: By way of supplementary, Mr. Speaker, may I ask the minister if he does not realize that that interim order only deals with trains in transit and does not deal with a situation like that which we have in Port Robinson and many other railyards in this province where they have stored cars containing very hazardous materials, materials which will interact, side by side? Will he immediately make representation to the Canadian National Railways and to the Canadian Transport Commission to eliminate at once the hazards which exist in storing these kinds of products in rail cars side by side?

Hon. Mr. Snow: No, Mr. Speaker, I will not contact the Canadian National Railways or the Canadian Transport Commission. My contact would be with the federal Minister of Transport and we will bring this to his attention.

LEGAL SERVICES IN NORTHERN ONTARIO

Mr. T. P. Reid: I have a question for the Attorney General in regard to northern Ontario. Has the Attorney General had time to consider our conversation about providing notaries public in northern Ontario who would be able to aid in land transfers and things of that ilk for communities that are 50 or 100 miles away from the nearest legal assistance and who have trouble getting into these communities to conduct this kind of business?

Hon. Mr. McMurtry: Mr. Speaker, I do not want to divert the honourable member. I am just reading the seventh page of a response to him in relation to boundary waters on Lac La Croix so I am sure he will enjoy all seven pages.

As soon as the estimates process is completed, Mr. Speaker, I hope I will have an opportunity to meet with officials of the law society to discuss the member's concern. I think the legal aid plan might be utilized in some manner to afford that assistance to people who live in the north who just don't have access to legal assistance. If anything can be done, I think it should at least be attempted through the legal aid system.

Mr. T. P. Reid: Supplementary, Mr. Speaker: I gather from that the minister intends to deal again with the legal fraternity, but obviously they are not going to be able to provide assistance on more than maybe one day a week in some of these communities. Does the minister realize that a lot of the people in these communities are on shift work? If they happen to be working for the railroad they are out of town for two or three days and if somebody comes into the community even one day a week that will not be sufficient. What we really need are lay people with the ability to conduct some of these legal matters, such as notaries public and under the act the minister could restrict

them to exactly those functions he considers necessary.

Hon. Mr. McMurtry: I have a little difficulty with the suggestion, as I think I indicated to the honourable member. The idea of training individuals to in effect give legal advice, without the supervision of a lawyer who is licensed to practice in Ontario could be a rather risky enterprise. We do use paralegal assistance in our community law offices in various parts of the province, but an underlying principle in the provision of needed legal assistance in this manner is that there be some accountability at the professional level.

While I am very sympathetic to their problem, I would not be prepared to encourage a system that might lead to people receiving bad legal advice. I think perhaps the member and I should sit down and discuss further the nature of the assistance he considers to be most necessary. If the assistance is of a relatively limited nature, that would be something else again, but there are a number of aspects to this problem that have to be considered and I would be very happy to discuss this matter with him.

Mr. Speaker: Since there isn't time for a supplementary from the member for Kenora (Mr. Bernier), perhaps you could include him in the meeting.

MOTION

COMMITTEE MEETINGS

Hon. Mr. Wells moved that the resources development committee sit tomorrow from 9 a.m., to consider Bill 24, An Act to amend the Environmental Protection Act, 1971.

Mr. Foulds: Could the government House leader indicate why he has amended the motion presented to me by my House leader to strike out the words "to 10 a.m."? I assumed there was an agreement for the resources development committee to sit merely for one hour rather than to sit for an unlimited time. Or is it to be continuous?

Hon. Mr. Wells: Mr. Speaker, I just got the typewritten copy of the motion a minute ago. It was my understanding we basically had agreed the committee would need an extra hour, from 9 a.m. to 10 a.m., to consider the bill, and then would move on to estimates. However, I was of the feeling if we put the motion in the terms it was written, 9 a.m. to 10 a.m., they would have to cease to consider the bill at 10 a.m. even if they needed another 15 minutes. I felt we should allow that flexibility to the committee, rather than to tie its hands completely and say it had only one hour to do the bill.

Motion agreed to.

REPORT

LIBRARY SERVICES

Mr. Speaker: I would like to remind the honourable members that pursuant to standing order 105, I have received the annual report of the director of library services which I have today laid on the table.

[3:15]

ORDERS OF THE DAY

PUBLIC COMMERCIAL VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 161, An Act to amend the Public Commercial Vehicles Act.

Hon. Mr. Snow: Mr. Speaker, very briefly, this is somewhat of a housekeeping amendment. It deals with clarification of some provisions that were made in Bill 89 last June relating to the so-called grandfathering of unlicensed truckers. It makes some housekeeping amendments regarding the common bill of lading and the W licence applications for regions. It really could be considered housekeeping legislation. I've presented a full explanation of these items to my critics.

I just want to indicate I will be asking that Bill 161 go to committee of the whole House. I'd like to advise the critics I have one amendment I will be implementing. They have been issued the amendment.

Mr. Cunningham: Mr. Speaker, we endorse the legislation which reflects the findings of the select committee on the highway transportation of goods. These amendments are somewhat minor but help to clarify the legislation respecting the grandfathering situation as described this past summer in Bill 89.

I appreciate the minister's consideration of the suggestion I made with regard to the extension of time in keeping with the original legislation. My concern then, as it is now, was that many people in the industry who are operating without benefit of a licence but who, in fact, may come within the provisions of Bill 89 were unable to make their application to the board in time. The amendment will extend the time to somewhere around the end of February of next year, which I believe to be in the best interests of the public and the people involved.

The balance of the amendments to the act are housekeeping in nature and we support them.

Mr. Philip: Mr. Speaker, the major thrust of Bill 161 is one that I can accept and I thank the minister for consulting with both the Liberal critic and myself on it.

I have some questions and then maybe some concerns about one of the amendments the minister is proposing. I understand what he is attempting to do and I agree with the major thrust of what he's attempting to do; however, I will have some questions on subsection 1 of the first amendment he's proposing. Perhaps we can deal with that in committee.

Hon. Mr. Snow: Mr. Speaker, I don't belive there are any questions to answer. I understand the member for Etobicoke wishes to ask some questions in committee and I'll answer them at that time.

Motion agreed to.

Ordered for committee of the whole House.

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 175, An Act to amend the Highway Traffic Act.

Hon. Mr. Snow: Mr. Speaker, just very briefly again these are some minor amendments to the Highway Traffic Act. These amendments provide for the issuance of a special licence plate for road-testing purposes to motor vehicle inspection stations which need proper authority to do a road test on a vehicle that may have had the plates removed because it was unfit.

There are also some minor amendments regarding the probationary licence program. It clarifies the suspension of a licence and makes amendments to the definition of an ambulance and fire department vehicle, emergency vehicles and other minor modifications to the legislation passed last spring—last June I believe it was—allowing for emergency vehicles to proceed under certain circumstances through a red traffic light.

Mr. Cunningham: Mr. Speaker, again these are housekeeping matters relating to the Highway Traffic Act and somewhat of a minor nature and we endorse them.

Mr. Philip: As the minister said, the amendments are housekeeping. The one that struck me as interesting is the one that deals with the fire and ambulance amendment to section 6 of the bill.

Perhaps the minister would like to discuss this in committee, or perhaps he can simply answer it now. Is there legislation forthcoming, or some kind of policy forthcoming on extrications, since this has been a concern that both myself and the Liberal critic have had for some time. We have met with his officials. It seems to me that people are dying on the roads and on our highways and they are not able to be removed expeditiously. Many of them are becoming wheelchair victims unnecessarily because this minister, the Solicitor General and the Ministry of Health can't seem to decide whose jurisdiction extrication comes under.

Accepting the fact this is a housekeeping amendment, this one section is at least some hopeful indication this government is finally coming up with some kind of policy on extrication and we can expect some action on this in the near future. If so, when?

Mr. Roy: Mr. Speaker, if I may ask the minister a couple of questions pertaining to these amendments.

The first one I would like the minister to answer, and if possible to advise on: I recall the time we in this Legislature accepted the originating amendments to the Highway Traffic Act allowing emergency vehicles such as ambulances and fire department vehicles to proceed through a red light subsequent to a call, after having made a full stop. I would like to know from the minister whether he has received any representation on this from police departments, fire departments, et cetera. There have been a number of accidents, I know, in a couple of jurisdictions and there has been some discussion about provisions of the Highway Traffic Act. Some people seem to claim that our amendments —made, I think last year—render the situation more dangerous than it was before.

I am not one who necessarily subscribes to that view, because I think the legislation before was even more confusing; in some ways this legislation makes it all clearer. I am wondering if the minister has received complaints about it.

The other matter is that I was not aware there was a vehicle on the road called a cardiac arrest emergency vehicle. I was not aware of that sort of vehicle on our highways. Is this something new, Mr. Speaker? I have not heard of it. What does it look like, for the uneducated, unsophisticated, or whatever? What are we looking at? What is the public looking at, at an intersection, when it meets one of these animals coming his way?

Finally, I would like to say to the minister that it seems to make an abundance of good sense to me that special powers be given to these emergency vehicles when they are responding to a call, but when they are going back there is no reason why they should be speeding or proceeding through intersections

on a red light. That amendment in section 7(a)(i) seems to make good sense.

Hon. Mr. Snow: With regard to the comments made by the member for Etobicoke I would say that we do recognize in this bill the emergency extrication—if that's the right word—vehicle when properly equipped as required in the legislation, to have the same privileges in going to an emergency as a fire or police vehicle.

As I'm sure the honourable member knows—there has been for some time an interministerial committee working with the Attorney General, Solicitor General, my ministry and others on this whole matter of emergency support vehicles. I understand that the report is about ready for publication and will be published in the very near future by the Solicitor General.

With regard to the member for Ottawa East's comments, the cardiac arrest emergency vehicle provision in this bill is at the special request of the Ottawa Civic Hospital, I believe.

Mr. Roy: That is why I asked the question.

Hon. Mr. Snow: The member said he didn't know what it was or where he might expect to find it.

Mr. Roy: I've never seen it in action.

Hon. Mr. Snow: To my knowledge, there is only one of these vehicles at the present time. It is located in the city of Ottawa. It runs from the Ottawa Civic Hospital. It was brought to our attention after this amendment was put in that that vehicle should have the same provision. If it has the siren and the red light, it will have the same privileges. The member might expect to find it in Ottawa.

I would also like to say I have not had any complaints or any problems brought to my attention by police or fire departments since this legislation was brought in. I had a meeting last week with about 150 to 200 police safety officers from practically all the police forces in the province. As a matter of fact, I had a discussion on this particular matter with them and no problems were brought to my attention.

Motion agreed to.

Ordered for committee of the whole House.

House in committee of the whole.

PUBLIC COMMERCIAL VEHICLES AMENDMENT ACT

Consideration of Bill 161, An Act to amend the Public Commercial Vehicles Act.

On section 1:

Mr. Deputy Chairman: Hon. Mr. Snow moves that section 1 of the bill be struck out and the following substituted therefor.

Section 1(1):

"Subsection 6(11) of the Public Commercial Vehicles Act, being chapter 375 of the Revised Statutes of Ontario, 1970, as enacted by the Statutes of Ontario, 1979, chapter 56, section 6, is amended by adding at the end thereof 'other than a class F, FS or R operating licence, as prescribed in the regulations.' "

Section 1(2):

"Subsection 15 of the said section 6 is amended by striking out '120' in the second line and inserting in lieu thereof '180.' "

Section 1(3):

"Subsection 19 of the said section 6 is amended by striking out 'under section 19 of the Ontario Highway Transport Board Act' in the fourth and fifth lines."

Will you give us a short explanation, Mr. Minister?

[3:30]

Hon. Mr. Snow: Three items are covered under this amendment. Subsection 1 deals with the grandfathering provisions of Bill 89. The way the bill is written at the present time, any applicant for licensing under those provisions was prohibited from applying if that applicant held any type of a PCV operating authority during the period in question.

After consideration, and after the bill was passed, certain problems were brought to my attention. I consulted with my opposition critics and agreed on this amendment. The holding of a class F, FS, or an R licence, which are very minor licences under the system, would not prohibit an operator from applying for another type of licence.

Subsection 2 is the extension of time for the application under this provision from 120 days to 180 days from August 31. This extension of time was requested by the member for Wentworth North. I had no objection to implementing that amendment.

Subsection 3 is a housekeeping amendment which clarifies that after the granting of a licence under this grandfathering provision there will be, according to legislation, a review of the probationary licence after the one-year period rather than at the option of the board.

Mr. Cunningham: Mr. Chairman, in anticipation that these amendments are going to pass I'd like to ask the minister if he would consider not only itemizing these changes in the Ontario Gazette and wherever else he might consider, but also some form of publication in the press, so people who would be

interested in this and people who might be able to make applications pursuant to the original provisions of Bill 89 are aware of it so we don't have a situation, say in March or April or some time thereafter, of people coming to us wanting to make applications pursuant to these provisions and finding they are unable to do so.

Because it's a highly technical matter that applies to very few people and sometimes there isn't an understanding of just what is involved, it would be my hope that where people can apply they will, so we don't have some difficulties some time after the end of February, when people who might want to participate in this would find themselves preempted from it.

Hon. Mr. Snow: I will try and see what we can do to publicize this. I would hope anyone planning to apply under this provision would know about the provision. Of course, this was the provision recommended by the select committee three or more years ago and was finally legislated last year after lengthy discussions with the industry. It was proclaimed with the 120-day period.

We'll certainly try in every way possible to publicize it. I don't know that I want to give the member a commitment that we'll do a mass advertising campaign, but I'll certainly discuss it and see what we can do within the industry to make sure everyone knows of the extension of time.

Mr. Philip: I assume what we have here are three amendments and that they will be dealt with separately. They're dealing with matters that are basically related to the same problem of regulating the deregulated, but they're substantially different.

The problem I have is, first of all, philosophically I disagree in my guts with regulating in any form the gipsy operators who have shown such disregard for the law in the first place. I recognize and the minister recognizes we have a problem of what to do about the small fellow, who really should be called a gipsy operator, but who might have picked up an F, an FS, or an R operating authority along the way. Should he be penalized or should he be simply considered as part of that gipsy operation, that nonlicensed body we now allow in under the grandfather clause?

I would have thought the minister would have discussed this amendment with the industry. I was disturbed a few moments ago when I asked him, before we dealt with the bill, if he had contacted the industry, and he informed me he hadn't. He has always boasted with some justification that he has consulted with the industry on the amendments to all of the provisions of the select committee on the highway transportation of goods. I know he has done that, but suddenly this one comes along and he hasn't consulted with the industry on it. At least that is what he has informed me.

My first question is what happens if someone has an A operating authority and also has an R or an FS? Is the minister suddenly then going to allow him some kind of grandfathering by putting in this amendment, or can he assure us he is not? If he is, then what he is doing is saying to every legal, large operator, who may have operated part of his business illegally or without authority, that he now can come in under the grandfather clause.

If we are going to do that, I want to be aware at least of what we are doing. If we are going to do that or if we are going to give authority to those who have had an F, FS or an R operating authority then what do we say to the people who may have another kind of operating authority? Will they not come to us and say: "You made this exemption for these fellows. You have exempted all of the gipsies. Why am I the one who is penalized?"

I would like to have some answer to that question. First, why has there been no consultation with the industry; and, second, how can we handle the fellow who may have an A but also an R operating authority?

Hon. Mr. Snow: I did tell the honourable member a few moments ago I have not discussed this amendment with the industry personally. I know members of my staff met last week with representatives of OTA. I can't tell him at this moment whether this particular amendment was discussed. Certainly they were aware of the bill, but I can't say this amendment was discussed.

I personally have two meetings arranged. I believe one is scheduled with the OTA next Monday in my office, where I meet with them regularly to discuss numerous items. As it so happens, this bill came up for debate before that meeting could take place.

I can't tell the honourable member for sure, but I really wasn't that concerned because I felt this is a very minor amendment and not something of any grand scale. It is to deal with a situation where one of these operators may have had, for instance, one dump-truck licence during that period, which would prohibit him from applying for some other more major part of his operation that may have been operated on a lease or a semi-illegal basis.

I can assure the honourable member it certainly is not the intention that anyone who has any other class of licence other than the ones in the amendment, the F, FS or R, to have the privilege of applying under this bill.

I am advised the Ontario Trucking Association was certainly advised of this bill on the day it was introduced. That still doesn't tell me whether they were advised of the amendment I introduced today.

Mr. Philip: Perhaps I can help the minister on that. I took the trouble of calling the Ontario Trucking Association when I saw the amendment and when I was concerned about exactly who we were letting in under this amendment. I spoke to the executive vice-president and he expressed shock. He had seen the bill but not the amendment. He expressed the same concern I have, that perhaps we don't really know who we are letting in, who we are grandfathering, under this particular section.

Unless I can have some assurance from the legislative counsel to the minister that we are only allowing in these small operators who may have accidentally picked up, in the process of their operations, the F, FS or R operating authority, then I have real problems in accepting this particular amendment.

Under those circumstances, where we have some reasonable doubt and concerns, I would ask the minister to consider withdrawing this one amendment pending some discussion with the industry and finding out what their concerns are. Perhaps we can have an opportunity to bring that in and handle that problem, which I recognize as a problem. The minister and I are in agreement on that.

Rather than bring in a bad amendment, an amendment which may do something we don't want to do, that neither party wants to do, perhaps the minister would be willing to withdraw it until he has had an opportunity to discuss this specific amendment and its implications with the industry.

Hon. Mr. Snow: I am advised by my legal advisers there is absolutely no doubt in their minds this amendment we are putting in allows only those who have had the three specific types of licences to apply. That is the best commitment I can give. It certainly is not the intention to open it up any further.

I can give the honourable member a commitment that it is not my intention—and I won't have the opportunity I am sure, before the time limit expires for the application of this grandfathering—to make any further amendments to the bill that would bring in any others. I have no intention of accepting any further pleas for loosening this regulation.

My legal staff here and my assistant deputy minister assure me they have no doubt this does not open the floodgates to anyone other than the holders of those particular classes of licence.

Mr. Philip: I assume then what the minister has just given us in fact amounts to a statement of policy or direction to the board. Therefore someone who happens to have an A operating authority and also one of the others just mentioned in the amendment will understand, or the board will understand, these are not open for consideration under the grandfathering clause.

[3:45]

Under subsection 2, which is the matter of striking out 120 in the second line and inserting 180, it seems to me there has been more than ample coverage in the various trade magazines about Bill 89. I don't really see why an additional 60 days is needed, but I am not going to object strenuously. If it pleases the Liberal critic then I am willing to go along with it.

I think his suggestion of additional advertising or additional publicity may well be worth the effort with the understanding that enforcement will be very tough after that 180 days. Because some of the very people who have operating authorities and have also operated gipsy operations have done so out of frustration that they are being undercut by the gipsy operators.

Surely, once we have this in place, we have to say at the end of the 180 days, "Game over; if you haven't applied, if you don't qualify, you are not getting it now, and we are going to nail you every time you go along our highways in competition with those who have followed the law."

I hope we can have the assurance with the minister that having passed that subsection, we will at least give it the kind of enforcement that is needed after the 180 days.

Hon. Mr. Snow: Mr. Chairman, I can assure the honourable member I have no intention of extending this particular thing any further. I must say this amendment is totally at the request of the member for Wentworth North. Personally, I have not had any requests from the industry for an extension to this time limit. On the other hand, when I had that request, in taking it into consideration I had no real reason to say we should not give that extra 60 days if the honourable member had some information that I may not have had that he felt made it necessary. So,

in the spirit of co-operation, I agreed to that amendment.

Mr. Cunningham: Perhaps I might offer an explanation here. Through discussions I have had with some people in the industry it's apparent there is a slight conflict that I guess is somewhat unavoidable in Bill 89. The conflict is that it would be illegal—I think the suggestion was made by the member for Scarborough Centre (Mr. Drea) during the course of our select committee on the highway transportation of goods—to conspire to deal with an individual who would purport to truck for hire without benefit of a PCV licence.

Ostensibly, what is required in Bill 89 to make successful application under this provision would be the open admission on the part of an individual who has operated without benefit of a PCV licence, under the guise of a lease or a buy-sell arrangement or not even that, of the fact they had operated without benefit of a licence and, of course, they had to be continuing to operate even up to the date of the application. This put some people in a difficult position and they were wondering just what the effect of law would be. They were somewhat hesitant to go before the board and admit that they were operating illegally.

To complicate matters it was even more difficult for them to obtain the assistance of witnesses, of shippers they had worked with, some of whom may not even be in business any more, to come before the board and admit, "Yes, we have been using somebody who doesn't have a PCV permit," and to say, on behalf of the carrier, "Yes, we have been operating and we have sinned," et cetera. Therein lies the difficulty and that reticence I think has been common with a number of operations and they have been reluctant to make an application.

With that in mind, I suggested if we could just extend it for a temporary period of time then those individuals may make an application. I agree with the member for Etobicoke that if at the conclusion of the 180 days, which I gather would be around the end of February, they have not made their application and if at the conclusion of the hearings applications either haven't been granted or they haven't been made, then the full course of the law should come into effect and the so-called bad actors should be dealt with with the full force of the law. Conversely, those provisions of the act respecting shippers who would conspire with people who don't have a licence should apply as well and strict enforcement should take place.

That was the trade-off we made, the concession we made, to the regulated industry to facilitate the licensing of these heretofore unlicensed operations, and I feel that is the only way the legislation can work. It's the only way the compromise we have effected can be facilitated.

I would hope that in these extra 60 days anybody who hasn't obtained a licence and who might be able to make an application under these grandfather conditions would in fact do so. If they don't, then that's their fault. We have done the best we can and the law will provide for people who break it.

Mr. Philip: Mr. Chairman, out of interest—and I am sure it will be of interest to the journals that cover our deliberations on this—can the minister inform us how many non-authorized trucking companies have applied to date? How many have given the minister some indication they are going to apply for this grandfathering? He informed me the other day there were very few, but it would be interesting to know who is applying, where they are applying for and what authority they are asking for.

Hon. Mr. Snow: Mr. Chairman, I cannot give the honourable member that information. I can get it. I will inquire from the Ontario Highway Transport Board. I am not aware of any particular applications under this provision. Of course, they have until the end of December. The last time I inquired it appeared there was very little interest, but it may be that the applications will come in before the end of December, or now, before the end of February. I will inquire of the board. As you know, applications do not come to the ministry and the only way we would know about them is to make an inquiry as to how many there are. I will inquire and get that information.

Mr. Philip: I have one question about the third part of the amendment the minister is proposing. Can the minister give us some assurance that the review that will take place at the end of a year of those who have in fact been grandfathered in will be a thorough review, the kind of review that will be as vigorous as the proof of necessity and convenience an applicant would have to go through in applying for an authority? Can he give us that assurance? Will they be simply rubber stamping and saying, "Yes, you seem to be operating OK to us"? Will there be a thorough investigation and a hearing and an examination of their performance during that year?

Hon. Mr. Snow: Mr. Chairman, this is the whole purpose of the amendment. The

amendment here is to clarify that the review is not at the option of the board under the other section of the act. The amendment is to say that a review will be held, and I assure you it will be thorough.

Mr. Deputy Chairman: Any further discussion on the proposed amendments?

Mr. Philip: Just on a point of order, can we vote on it section by section, Mr. Chairman?

Mr. Deputy Chairman: I see no reason why we cannot. They are distinct subsections. I will put the subsections separately.

All those in favour of subsection 1 of Mr. Snow's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Subsection 1 agreed to.

Subsections 2 and 3 agreed to.

Motion agreed to.

Section 1, as amended, agreed to.

Sections 2 to 4, inclusive, agreed to.

Bill 161, as amended, reported.

HIGHWAY TRAFFIC AMENDMENT ACT

Consideration of Bill 175, An Act to amend the Highway Traffic Act.

Mr. Deputy Chairman: Mr. Minister, do you have any amendments for this?

Hon. Mr. Snow: No, Mr. Chairman, no amendments.

Sections 1 to 4, inclusive, agreed to.

On section 5:

Mr. Renwick: Mr. Chairman, I want to know what the minister's intentions are about the point system in so far as it applies to probationary drivers.

Hon. Mr. Snow: I don't have the regulations that will be under this particular act for the probationary licences. I don't have the detailed regulations here in my hand at this moment. I understand they are almost ready. They will be going to the regulations committee in a matter of the next couple of weeks.

Mr. Renwick: I wasn't asking for the actual document. I just wondered what type of modifications and what type of exemptions the minister intends to provide for probationary drivers. If he hasn't got the information, I suppose I will have to wait until it comes out in the regulations.

Hon. Mr. Snow: The basic thrust of the probationary driver's licence, as I am sure we debated here when the bill was passed last year, is to detect the offending new driver. I say "new driver," not necessarily "young driver," because any driver getting a licence whether he is 16 or 66, would be on this system.

The basic thrust of the regulations will be to trigger the demerit point system earlier, in order to bring to the attention of the new driver the error of his ways—speeding or improper turns or whatever it may be—earlier than would normally come about via the normal demerit point system. There will be, I believe, somewhat different, short-term suspensions at a smaller number of points. I believe it now is 16 kilometres per hour that you must be speeding before you lose demerit points. I think we are considering regulations—and I haven't seen the final draft—so that a speeding ticket for the new driver for less than 16 kilometres per hour would trigger a demerit point.

Mr. Renwick: Is it the minister's intention that when the probationary period is over and the regular licence is issued the driver would commence with no demerit points—in other words, that any demerit points accumulated during the probationary period would be eliminated—or would they be carried over on his record?

Hon. Mr. Snow: I am sorry, I did not expect to have a debate as to the details of the regulations as part of the debate on the legislation, otherwise I could have had our draft regulations here. As I recall the draft we have discussed, there will be provisions in these regulations that if a probationary driver builds up a certain number of demerit points that trigger a suspension then his probationary period starts all over again from that point. He must also have a certain period of no offences before the probationary licence turns into a full licence. That is about the best I can explain it right now.

Mr. Renwick: That's fine. I wouldn't dream of asking the minister any embarrassing questions if he would only put in a GO station at Queen Street East and de Grassi.

[4:00]

Mr. Deputy Chairman: Are you proposing that as an amendment?

Mr. Breithaupt: Mr. Chairman, with respect to this ability to prescribe modifications to the demerit point system, would the minister agree with me that, even from the attempt to explain the kinds of patterns of modification which may occur and the restoration of full points or partial points as that system moves through, there's going to have to be some education go on so the people know just how this program is going to work?

Does the minister intend perhaps to make a statement in the House or at least to put out some sort of press release information so that not only will the members of the House know about this circumstance but so there will be some publicity available to the probationary driver so he or she knows what kind of pattern may be expected if there are convictions or demerit points that are going to cause a licence to be in jeopardy?

Hon. Mr. Snow: Certainly we will be publicizing the fact when the regulations are ready. Of course they will be gazetted but I realize everybody does not read the Ontario Gazette every Sunday morning like the honourable member may. This mainly affects new drivers and I'm sure we'll be putting out appropriate pamphlets and information as part of our driver education manual and in our driver test centres, so the new driver getting his licence will be fully aware of the provisions of the probationary licence.

Mr. Breithaupt: Perhaps there might be the opportunity to have an information kiosk at the GO subway station at Queen and de Grassi.

Section 5 agreed to.

On section 6:

Mr. Philip: I appreciate the minister's reply to my question on extrication but it leaves me with as many questions as I have answers. I'd like to deal with at least some of them at the present time rather than delay the minister during his supplementary estimates, which of course are coming up before we adjourn.

Did I hear the minister say that before the House adjourns we will be having a copy of the report on extrication before us? Is that his intent? Is that the understanding?

Hon. Mr. Snow: Mr. Chairman, I'm told that a report is being printed, that it's coming out any day. It's being published by the Solicitor General with his estimates before the House, so maybe the member would like to ask him about it, because the member did mention to me a few moments ago that he was bringing other matters up with the Solicitor General during his estimates. He may know exactly what day that report is coming out. I understand that my staff expect it any day now.

Mr. Philip: I have trouble bringing things up with the Solicitor General because I sit beside him in the chair, so it's much easier for me to talk to the minister across the floor since his ministry is involved with it.

Is the minister indicating that the fire departments or the police will be responsible for extrication? Is that the thrust of the policy?

Hon. Mr. Snow: I haven't seen the report; there's a new ministerial committee working on it. I understand the report will be coming out quite soon but emergency measures such as that do come under the jurisdiction of the Solicitor General. What the report will recommend at this time I can't tell the honourable member.

Mr. Philip: Can the minister tell us how long it has been since first this interministerial committee was struck and how long we've been waiting for the report? My calculation in rough terms is something like a year and a half; it may be longer than that.

Can the minister tell us why it is that his ministry, the Ministry of Health and the Ministry of the Solicitor General have not seen fit to—at least in the interim—subsidize or give some kind of financial support to groups such as the Simcoe rescue squad so they can expand their operations, particularly their training operations, on the assumption they are saving lives; people are dying on the highways unnecessarily and many more lives could have been saved had this kind of operation expanded? The minister will be the first to admit the Simcoe rescue squad has provided a tremendously valuable service to people not only of the Barrie area but also to many of the people in my own riding who travel north to the cottages on highway 400, which can be very treacherous in this type of weather.

Mr. Breithaupt: Perhaps we could find out clearly whether the minister's responsibility is really only to change a definition. From what I have heard, the responsibility here is that of the Solicitor General. Your involvement is one which may be ancillary, to make a definition change or do some other things. Is that correct or do you have an involvement in this kind of project, the Simcoe one mentioned, that has received a lot of favourable publicity?

Hon. Mr. Snow: That is why we have the interministerial committee with representatives of my ministry, the Solicitor General's, the Attorney General's and the Ministry of Health to consider this whole matter of extrication equipment and vehicles and who should be supplying it and who should be funding it.

I have had no provision in my ministry nor in my estimates and I'm not sure I have the legal authority to fund such services. I am not sure in my own mind, if these services are required, who should be supplying them. Should they be under the auspices of the

OPP or under the auspices of the Ontario fire marshal? Should the municipal fire departments be the connecting link between the municipal government, the provincial government, the fire marshal's office and these services? It has nothing whatsoever to do with this bill.

I understand the honourable member's interest and I am interested too. But all this particular amendment does is put that type of vehicle, when it has the appropriate specified equipment on it, in the same position as a fire truck or a police cruiser or an ambulance going to an emergency. We have brought that particular type of vehicle into the act. There are some of these vehicles throughout the province, not only the Simcoe rescue squad vehicles.

Mr. Philip: By way of supplementary then, supposing we have a situation where the position paper comes down and says that a particular ministry has responsibility for that, and supposing a group such as the Simcoe rescue squad decides the service that is going to be provided by that particular ministry is not adequate and that it wishes to continue with some of its operations, would its vehicles be covered or just the appropriately designated vehicles of the ministry this long-overdue study finally decides is going to be responsible for this?

Hon. Mr. Snow: I believe the explanatory note that went with this says a ministry-recognized organization. I don't think we can leave this bill so loose anybody with a beat-up old truck can put a red light on the vehicle and call himself a rescue squad and have the privileges of the bill. As I see it, it says a crash extrication vehicle operated by a ministry-recognized organization.

Mr. Philip: If no ministry has recognized this organization, at least until this date, then it does create some problems. That is the point I was making. I wasn't talking about an old pickup truck whose operator wants to get around the law by putting a light on the top of his truck. The minister knows that.

Section 6 agreed to.

Sections 7 to 10, inclusive, agreed to.

Bill 175 reported.

LAND TITLES AMENDMENT ACT

Consideration of Bill 149, An Act to amend the Land Titles Act.

Mr. Deputy Chairman: Is there any section in the early part of this bill that the Minister of Consumer and Commercial Relations wishes to amend in any way?

Hon. Mr. Drea: Mr. Chairman, I'm going to move a very minor amendment to section 48, which is really a typographical correction.

Mr. Deputy Chairman: Are there any questions on this bill prior to section 48?

Mr. M. N. Davison: I have some comments and questions to direct to the minister on section 40.

Sections 1 to 39, inclusive, agreed to.

On section 40:

Mr. M. N. Davison: When we discussed this bill on second reading, on Tuesday night as I recall, I expressed to the minister the concerns I had about wanting to know the government's rationale for this section 40 and the sections of the other bill before us today, the Registry Amendment Act, that are removing certain things from the Condominium Act and transferring them to these other pieces of legislation. I wanted also an explanation of the government's position regarding the registration process with condominiums.

I don't know if the minister wanted to respond to the comments I made at that time—

Hon. Mr. Drea: I never understood them.

Mr. M. N. Davison: He didn't understand them.

Hon. Mr. Drea: Maybe if the member made the comments again, I could find out what he is talking tbout.

Mr. M. N. Davison: I will go through them again for the minister.

The thing concerning me is the implication for condominiums and, most specifically, the condominium unit owners. They are the same kinds of implications and considerations that have been important throughout the last decade, since we allowed the construction of a new type of home for people to own and in which to live.

When the government first introduced condominium legislation back in the late 1960s, I can understand that because it was a new thing in Ontario there were going to be growing pains, there were going to be difficulties, there were going to be mistakes and there were going to be lessons to learn and everybody in this House and everybody in the community would have to suffer through them to some extent.

The government became aware of the problems and, as pressure mounted, it established, finally, back in 1976 or 1977, the Ontario residential condominium study group, the Kealey commission. This was to report on the difficulties in the condominium world

and to make recommendations to the government so the government could then rewrite condominium law in order that the problems of the late 1960s and early 1970s could be corrected.

Although he was not minister at that time the minister will recall also that there were very serious economic problems with condominiums. There was a real difficulty created because of uncertainty about condominiums. There was a huge number of empty units on the market because of all the problems that had developed through the late 1960s and early 1970s.

When the Kealey commission reported back in 1977, it made a number of recommendations—I think the total number was 126—to the government for changes in condominium legislation. The first four recommendations coming out of the first chapter of the Kealey commission report dealt with the registration process. I'm sure the minister will recall that.

When the ministry brought in the condominium legislation back in 1978 it never did deal adequately with the problem of registration. It was left over, and the government never moved on it. There were comments to the effect there will have to be some changes from the Ministry of Intergovernmental Affairs; the Planning Act was talked about; this, that and the other thing.

[4:15]

I suppose at the time, and I recall discussing with the former minister, the necessity to move in on the registration process and have in the Condominium Act a clear group of changes in the registration process that would work to restore confidence in the market and help the condominium unit owners. It went so far that when we were in committee of the whole House on the Condominium Act I introduced what was the largest amendment I've ever introduced in this assembly. It was a seven-page amendment to sections 56 and 57 of that act to bring in a registrar of condominiums who would have some control and act in the public interest, in the consumer's, unit-owner's, interest.

That was defeated, unfortunately, by the government for reasons I don't know. We didn't get it and we still have these continuing problems. Now surely the time has come when the government should have taken some action on the registration process with condominiums. But instead of doing that, Mr. Chairman, through you to the minister, they fiddle about. They make changes to the Land Titles Act and the Registry Act. They delete two subsections of the Condominium Act under sections 2, 4 and 5. That's really inadequate.

I would like some explanation from the minister about the lack of desire, or lack of will to move. Does the ministry consider there is no problem with the registration process? Is that the reason? Does the ministry consider it's up to other ministers in the government to move on an ad hoc, bit by bit basis to improve the registration process? Does the ministry have some plan to bring on stream in the next year or two amendments to the Condominium Act to improve the registration process? I'd like to know the reasons.

Unless there is some kind of co-ordinated approach to deal with those difficulties, I don't see any reason to support amendments designed to take sections out of the Condominium Act, further fracture it and make it more difficult for the condominium buyer to find out what is the law and what isn't the law. I'd like to hear the minister's explanation.

For the purposes of saving time, I'm happy to talk about all of the condominium changes, both in this and the act we'll be doing later, Mr. Chairman, because they're totally interwoven. I won't make any comments on those. I think we can deal with it all under this one.

Mr. Breithaupt: When the member for Hamilton Centre began his remarks the minister said he didn't understand what the earlier comments were. I regret to say I don't understand what these comments now refer to.

It seems to me the whole matter of compulsory registration has nothing to do with the ownership of condominium units. It would appear to me this section deals solely with the registration of a plan and clears off the title under the land titles system where land might otherwise be registered under the registry office system. It has nothing to do with the ownership of units, with the transfer of units or with that amendment with respect to a registrar of units. It would be my understanding it is only a matter of registration before any individual is even close to becoming an owner of a condominium unit.

If that's the case, then I don't understand how those comments relate to condominium land as such under the registry office. If it's not the case, maybe the minister does have some comment.

Hon. Mr. Drea: Now, I understand, Mr. Speaker. If the member had elaborated a bit the other night, I would have understood.

The member for Kitchener is absolutely right, it has nothing to do with this act. What

it has to do with is a preregistration. We are talking in this act about actual registration. I am looking at the Kealey recommendations the member brought forward. For instance, the first one is for the builder-developer to disclose his intention to the municipality to develop a condominium project.

All of these things are far in advance of the actual registration of the plan. It has been my position and the government's position—I think it is the only position—that if the member wants improvements in the preregistration area, realistically it is the responsibility of another ministry, the other ministry being the Ministry of Housing, because it deals with official plans.

It would be extremely difficult under the Condominium Act. We start from there when nothing exists. How could the Condominium Act provide for dealing with subjects prior to a building permit or the actual physical implementation of the building, or the registration of a plan for the condominium? Obviously, it deals with all of the ramifications of the official plan and more properly is under the Ministry of Housing.

In those recommendations the commission was talking in terms of site-plan application, of site-plan agreements, of a building permit, the conditions and standards of development levies for the municipality, and so forth. All of these are well before you head for the registry office to either—depending upon where you are in a province—go through the land titles procedure or, where there is no land titles procedure available, go through the registry office with a certification of title.

As to why the Ministry of Housing or so forth, hasn't dealt with these recommendations, to be honest with you that is the responsibility of the Ministry of Housing.

In terms of the one remark that was made about all the difficulties with registration, we are at a loss to know where those difficulties are, at least within the registry system. If it was something before the registry system, then I would be perfectly willing to carry the member's concern to the Ministry of Housing. Many of these things, in fact almost all of them, are even before the Condominium Act begins to take effect.

The truth of the matter is, if you start off with the builder-developer discussing his intention, that really is under planning. Is the municipality going to allow a condominium to be located at the particular site or the particular area the builder is discussing? That precedes the Condominium Act and obviously must precede any attempt to register any type of plan, because there has to be an agreement.

Surely these things are within the Ministry of Housing and the official plan. We haven't really taken anything out of the Condominium Act for any purpose other than when you are registering a plan for a condominium. We feel a much better form of consumer protection is to have it right in the act that you have to use registration, rather than having it in the Condominium Act with an application to the Land Registry Act or the Certification of Titles Act—putting it right up front in the registry office where the actual declarant makes the registration. We think that is much more effective in terms of land registration than to have it in another act. There is very clearcut authority to deal with any difficulty in terms of registration.

Bear in mind, if we have been accused of anything in terms of registration, it is of being too strict. There are many municipalities which maintain we should accept and register plans when the lower floors of a structure are completed and there appears to be every indication the upper floors will be. There is an argument in the development industry that the finishing off of a small number of units in a large building is sufficient evidence that we should accept the registration of condominiums. We don't. We invoke the doctrine of "substantial completion." It is all very well to say that because certain things have been done on the lower floors they obviously will be done on the upper floors and that deeds can be issued and so forth. We want substantial completion.

That has been an area of criticism, but I don't really think the member would want us to change our present position. I know that from time to time on a borderline case it does cause some inconvenience to someone trying to obtain his deed. By the same token, if we let the development go holus-bolus and someone is promised a deed to something which may or may not be completed, if something does happen in the evolution of the individual condominium unit within that structure there can be some very grave repercussions. To my knowledge that is the particular criticism that has been levied.

Again, looking at the two acts in combination, one of the things we want to do is to preserve—I emphasize to preserve—the registration where land titles are available—that they be a land title. No deviation, no eroding, nothing in that area. But where that land title is not available, then we want to proceed under the Registry Act for its cer-

tification. So we are not eroding, we are sticking right where we are.

If the member wants to ask why we are doing this now, the plain and simple answer is the expansion of land titles has not gone as swiftly in this province as was anticipated when these acts first dealt with condominiums. The reason for it is quite simple. It is more expensive than land registry. There have been budgetary restraints and so forth. In the years 1979, 1980 or 1981 it is not going to expand to the extent that was anticipated. Notwithstanding that, even where it is not available and even where the pressure is such that you really want us to keep going through them, we have stuck to the certification of the type.

In terms of registration of the plan whence the deeds will come, provided the condominium is successfully completed, we haven't changed very much at all. We haven't eroded the Condominium Act; we have put it right up front where the declarant comes in to register, right under the very act, that he registered. That is all we have done in the package. If the member is going to tell me he prefers to keep it in the Condominium Act and to duplicate it in the Registry Act because we feel much more confident in the actual Registration Act than we do in an overriding statute, then we may have a difference of opinion.

The advice that has been given to me is that it is a far more efficient method of consumer protection in having it up front in the registry statutes than it would be in the Condominium Act.

[4:30]

Mr. M. N. Davison: Either the minister is insisting on taking a very narrow legalistic look at the issue I am trying to put before him or he doesn't understand what the issue is. I'll try once more to explain it.

There is a process commonly described as the registration process, not in some legal, technical definition of registration of a single document before or under some subsection of the Condominium Act or any other act but the process that takes place from the beginning of a development until the time we are left with our registered condominium. I am sure the member for Kitchener understands the use of the word registration—the registration process, as it was put and used before the justice committee when we dealt with this.

Mr. Breithaupt: Yes. I have some understanding of the Condominium Act.

Mr. M. N. Davison: My criticism is simply this. The ministry chose to ignore a substantial number of the difficulties and problems that were plain to anybody sitting on the committee when it was doing its work. I don't understand what the reason was then; I don't understand what it is now.

What I am saying to the minister is this. Rather than take two subsections out of this act now the ministry should deal with the real problems that still exist in that registration process. In the broadest context, that is all of the problems that can occur up until the time we have a registered, functional, operational condominium corporation. If the minister doesn't understand that, I don't know if I can explain it to him any better.

I think the minister and his advisers are taking and understanding only a very narrow definition of the words "registry, registration or registration process." I think the ministry now has a responsibility to address the problems they wouldn't address back in 1978, when we were dealing with the Condominium Act. I don't want to outline them all, I'm not even sure that it would be in order to do that, but we have not provided a way a condominium consumer in this province can get accurate information about a proposed declarant or developer involved in the process.

To this date there is no functioning consumer adviser on the condominium issue for condominium unit owners or prospective buyers. The proposed declarant has much too much freedom in that process. We still have people living in what were supposed to be condominiums but are nothing more than apartment buildings. All of those problems come from the government's and the ministry's refusal to deal with that registration process: all of the processes up until the point in time at which there is a registered, functional, operating condominium.

I think it would better serve the ministry, the government and the people in this province if, instead of fiddling around with these alterations to the Land Titles Act and the Registry Act and the Condominium Act, they would sit up and do something about the real problems. They have ignored them for long enough and since the ministry is involving itself in the Condominium Act once again, now or certainly the spring session at the latest, would be an appropriate time for the government to finally act to solve some of those problems.

That is plain English, Mr. Minister. I hope you catch the drift, as it were. Thank you.

Hon. Mr. Drea: I will take that under advisement, Mr. Chairman. One would think the member would have said it in those words the other night. I would have given him exactly the same answer. I realize the

lateness of time and so forth but when the member was referring to problems in registration, it was in the focus of this. It may have been my mistake but obviously the member for Kitchener had the same difficulty. In any event, I will take that under advisement and I will inform the member prior to the starting of the spring session as to what the intentions of the ministry are.

Mr. M. N. Davison: I appreciate what the minister says. That's a very gracious step on his part. It's an improvement. I await the beginning of the spring session.

Hon. Mr. Drea: I said I would inform the member before the start of the spring session.

Section 40 agreed to.

Mr. Chairman: Any further comments or questions on any section?

Hon. Mr. Drea: I have an amendment to section 48.

Sections 41 to 47, inclusive, agreed to.

On section 48:

Mr. Chairman: Hon. Mr. Drea moves that section 48(2) of the bill be amended by striking out "b" in the first line and inserting in lieu thereof "a."

Hon. Mr. Drea: Mr. Chairman, that's to correct a typographical error.

Mr. M. N. Davison: My caucus and I are in complete agreement with typographical errors being corrected. It has my support.

Motion agreed to.

Section 48, as amended, agreed to.

Bill 149, as amended, reported.

REGISTRY AMENDMENT ACT

Consideration of Bill 150, An Act to amend the Registry Act.

Hon. Mr. Drea: I have a new section 9a, and amendments to section 27 and section 49.

On section 9:

Hon. Mr. Drea: Mr. Chairman, the new section would become 9a. It will be in addition to section 9.

Mr. Chairman: In addition to 9?

Hon. Mr. Drea: It would be a section in addition to 9, to be called 9a.

Section 9 agreed to.

Mr. Chairman: Hon. Mr. Drea moves that the bill be amended by adding thereto the following section: "9a. Subsection 2 of section 20 of the said act is repealed and the following substituted therefor:

"(2) Subject to subsection 3, the land registrar shall enter every instrument that mentions such parcel or lot of land in the abstract index in the prescribed manner under the proper heading of each separate parcel or lot of land.

"(3) The Lieutenant Governor in Council may make regulations designating instruments to which subsection 2 does not apply and governing the manner of making entries of the abstract index."

He further moves that the said section 9a comes into force on proclamation and that the legislative counsel be directed to make the necessary consequential changes in the numbering and references.

Motion agreed to.

Section 9a agreed to

Sections 10 to 26, inclusive, agreed to.

On section 27:

Mr. Chairman: Hon. Mr. Drea moves that section 27 be amended by adding thereto the following subsection:

"(6) The said section 78 is further amended by adding thereto the following subsection:

"(13) A description as defined in the Condominium Act, 1978, in respect of land that is within an area to which the Land Titles Act applies, but not within an area designated under subsection 3 of section 160(a) of the Land Titles Act, shall not be registered under this act."

Motion agreed to.

Section 27, as amended, agreed to.

Sections 28 to 48, inclusive, agreed to.

On section 49:

Mr. Chairman: Hon. Mr. Drea moves that section 49(1) of the bill be amended by inserting after "sections" in the first line "4," and by striking out "35" in the third line.

Hon. Mr. Drea further moves that section 49(2) be amended by inserting after "sections" in the first line "4" and by striking out "35" in the second line.

Motion agreed to.

Section 49, as amended, agreed to.

On section 50:

Mr. M. N. Davison: I just wanted to take this last opportunity, Mr. Chairman—I may never have one again—to put forward my strongest possible recommendation to the minister that somehow surely these three acts in the new Polaris project should result in lower legal fees to home purchasers, when they buy their homes. There is no longer any excuse for those outrageous and unjust fees.

Hon. Mr. Drea: I suppose as a great defender of the faith, Polaris will make a great number of improvements in this prov-

ince. It will enhance, furthermore, the reputation of John Graves Simcoe, who started all of land registry and so forth. I will tell you, I simply do not think the legal profession in this province is overpaid, particularly those who deal in real estate.

Section 50 agreed to.

Bill 150, as amended, reported.

FAMILY LAW REFORM AMENDMENT ACT

Consideration of Bill 159, An Act to amend the Family Law Reform Act, 1978.

Mr. Chairman: Does the member for Kitchener have anything on Bill 159?

Mr. Breithaupt: Yes, Mr. Chairman. There is an amendment to section 1, which has been agreed to.

Mr. Wildman: Now that we have it on the floor let's make all kinds of amendments.

Mr. Breithaupt: Yes, that could be done. First of all, let me thank not only the government House leader, but particularly both the Attorney General (Mr. McMurtry) and his parliamentary assistant, the member for Carleton-Grenville (Mr. Sterling), who have been of great assistance in bringing forward to this stage the idea approved by the House in private members' hour two weeks ago.

[4:45]

There is a requirement for several changes in wording, in order that this amendment be in the style and practice of the Family Law Reform Act. As a result, I will be making amendments which will deal particularly with the three separate headings I proposed be changed in section 27, to which I had spoken during the debate on second reading.

None of these particulars deals with changes in principle approved by the House, but they do give further detail so the three subsections follow the intent of the original legislation.

On section 1:

Mr. Chairman: Mr. Breithaupt moves that section 1 of Bill 159 be amended by striking out clauses (a), (b) and (c) of the amendment to section 27(1) of the Family Law Reform Act, 1978, and substituting the following therefor:

"(a) a person entitled to support under the order;

"(b) a parent of a person entitled to support under the order; or

"(c) a person or agency mentioned in clause (a) or (b) of section 18(3)."

Mr. Warner: I'd like first to pass along my personal congratulations to the member for Kitchener who has achieved what few members of this assembly have been able to achieve, that is, as a private member and an opposition member to bring about a change in legislation. For that he is to be commended.

He has persisted on the issue and brought forward an excellent bill which was debated here. It's most pleasing to see it go that extra step and to know that when we're finished with it it will become law.

I'm quite pleased to support the amendment he has moved. In speaking to it I can only express again the kind of frustration which I expressed during the Attorney General's estimates at the unfortunate aspect that when those delinquent fathers don't pay the pressure is put on the mother who has been left to raise the children.

Unfortunately, the pressure is often put on her by the Ministry of Community and Social Services, because it's sometimes made clear to the mother it's her responsibility to find the delinquent father and, if she is unable to do so, her mother's allowance payments will be cut back. Often she has been further frustrated in attempting to get some settlement through the courts.

In one small measure I hope this amendment to the Family Law Reform Act will help quite a few mothers in obtaining the kind of support they deserve and require. There is a larger issue to be answered and the government has obviously failed in attempting to resolve that problem. In fact in some instances as I have cited, where the Ministry for Community and Social Services is held responsible it has made the problem worse. That's highly unfortunate. Why they choose to treat mothers who are attempting to raise children on their own in that way, I have no idea.

As I say, I welcome the amendment that has been put forward and the bill itself and I will support it.

Mr. Sterling: It's my pleasure to rise and support the amendment put forward by the member for Kitchener. The attitude of the Attorney General and myself towards the member for Kitchener's bill is that this is continuing the nature of the hearings and the legislative process that took place with regard to the Family Law Reform Act. I think that process culminated in a very successful piece of legislation. As I have said, we recognized that there were going to be some shortcomings in that bill that we weren't able to foresee when we were going through the process.

We all recognized at that time that we were really turning around a century of antiquated law. It is really surprising—and I say again, I am quite proud to be part of that committee—in that we were able to construct a bill which has had really quite a small number of inadequacies.

I would like to again congratulate the member for Kitchener for bringing this bill before the House to rectify one of those inadequacies. I hope that in the springtime we will be able to bring forward some additional amendments to the bill, because there are one or two other small areas, where we can—

Mr. Wildman: Are you going to publish this in the Kemptville Advance?

Mr. Sterling: You could publish it in the Kemptville Advance, the Winchester Press, or any other place.

Mr. McClellan: It isn't even Thursday afternoon.

Mr. Sterling: They come out on Wednesday. It's okay, I can phone them.

Ms. Gigantes: Is this your big speech of the year?

Mr. Sterling: You haven't been listening, Evelyn, but at any rate, I congratulate the member again because the bill will clear up a problem that does exist for some people.

Along with the Attorney General and the House leader I thought we should carry this forward into legislation as soon as possible, therefore we have supported it all along.

Motion agreed to.

Mr. McClellan: During the second reading debate, my colleague from Windsor-Sandwich (Mr. Bounsall) raised the question of the use of the word "may" in the second line of section 1(1) and he had indicated during the second reading debate that he would prefer the use of the word "shall," so that upon the application of any of the three parties named in Mr. Breithaupt's bill, the court would automatically invoke automatic enforcement.

I intend to move an amendment to change the word "may" to "shall." The reason I want to pursue that is based on the comments of the parliamentary assistant during the second reading debate.

I would remind the committee of what the parliamentary assistant said when he was talking about the automatic enforcement provision in the bill: "One of the features of the support provision of this act is the enforcement system contained in the act and in the rules and procedures of family courts across the province. The clerk of the court is empowered to enforce the orders at the request of the person receiving support. When the request is received, the court staff begins monitoring payments under the order and sends out reminders if payments fall behind."

This is the point I want to stress, the parliamentary assistant said: "Unfortunately the procedure varies across the 53 family courts in the province. This is due in some cases to the wishes of the family court judges and in other cases it is due to staffing restraints."

In other words, apparently there are some parts of Ontario in which the clerk of the court—I don't know if the clerk of the unified family court would be included but I doubt it, but at least the clerk of the provincial court (family division) would refuse to accept the application for automatic enforcement. I don't think that that's acceptable.

I don't think I should even need to justify that position. It should be self-evident. Upon the request of one of the three parties for enforcement and upon filing the necessary material as prescribed by the rules of the court it should be automatic that the court assume the responsibility for enforcement.

I do not stand easy with the provision that allows the clerk of the court—and I assume that means the clerk acting on the instructions of an individual judge in a particular court—to refuse to do this.

I want to make the bill apply equally all over the province, by changing "may" to "shall", so that whenever one of the three parties applies for automatic enforcement, they will be guaranteed to get it.

Mr. Chairman: Mr. McClellan moves that section 1(1) of the bill be amended by striking out the word "may" in the second line and replacing it with the word "shall."

Mr. Sterling: Mr. Chairman, unfortunately I must oppose the amendment, basically on the basis of the process that is practised in family court. If we put in the word "shall," it would really go contrary to the existing process.

One of the steps in the procedure of enforcing an order is to call the errant person into court and ask why he is not paying the maintenance order. The judge is given the opportunity at that time to postpone the payment on the maintenance order if there is reason why he or she cannot make the payment on the maintenance order—if something has gone on in between. Under the new act this is usually a process in which only one of the individuals is brought in. It is not a case where you review the order. It's a show-cause type of hearing whereby the person is called in to say why he is not paying the order.

If he gives sufficient reason, the judge has the power to stay the payment on that maintenance order or to make an arrangement for some kind of payment until the person can come back and alter the order.

The problem with "shall" is it doesn't really give the discretion to the judge to accept those reasons. He just has to order the payment to come forthwith and that's all there is to it.

That's the main reason for the government's opposition to this amendment.

Mrs. Campbell: Mr. Chairman, I had hoped that by now we would have moved far more rapidly into the matter of automatic enforcement, with some procedures which would protect the very cases the parliamentary assistant has made reference to.

[5:00]

There is no question that there are cases where the default—I can remember one case where a man was terminally ill and even then was forced into the court, against the wife's wishes, simply because the agency giving support payments to the wife had insisted on those procedures. That shouldn't happen in family courts.

The alternative places a terrible onus on the wife or the mother—in the past in any event—in these matters. I had hoped we would have moved faster to correct those procedures. As long as the show-cause proceedings are still going forward without automatically enforcing the reverse kinds of procedures to give protection, I don't know how we could accept that particular amendment. I say it with the greatest reluctance, because I do understand what lies behind the amendment and I would very much like to support that principle.

I have some experience in the matter and I think we must allow the person against whom an order has been made to give some explanation. The difficulty is that it really is almost an abuse of the system in so many cases, but it causes one to want to support the "shall" rather than the "may."

Mr. Renwick: I wonder whether the parliamentary assistant might consider giving his support to the proposed amendment.

In the ordinary parlance of the term, everybody assumes that if one obtains an order, it would of itself speak. But the process of the court has meant obtaining an order really doesn't mean anything because one has to take this additional step of enforcing the order.

I understand the courts have become enmeshed in this problem of the time interval between an order being issued by the court and its enforcement. That is where this whole idea of showing cause has crept into the system, with immense delays and immense inequities. When the parliamentary assistant says that the process is dictating what will happen then it destroys the kind of amendment the member for Kitchener has tried to insert into the bill to eliminate, to the extent possible, this interminable delay between an order of the court and its enforcement. Even this procedure as set out in the act says one gets the order but then one has to make a request. The parliamentary assistant is saying that not only does one make the request, but the judge can revert to the old system, have his show cause and nothing ever happens.

Surely, when we have a statute which says that "shall" shall be construed as imperative and my colleague moves that the word "may," which is permissive, be changed to imperative, one is saying what the ordinary lay person on the street believes to be the case, that an order of the court is to be obeyed. One doesn't have all these intermediary proceedings.

The time has come when the order should be that the beneficiary of an order can have a mandatory way of getting that order in force. That does not deprive the person against whom the order is issued of an opportunity, when faced with that order, of coming to the court and saying, after the event but in a much more difficult situation, "I don't want to obey the order and I want to show you why."

But at least this will be a step forward, and this will permit the beneficiary of an order to say: "I can go to the court. I can do what the court requires of me." That's what the act says, "upon the filing of such material as is prescribed by the rules of the court," do what the court says. The enforcement process will automatically follow and leave it to the person against whom the order has been issued in the first place to then take whatever steps he needs if he feels he can't comply. Surely the court must be in the position to say: "You have had your day in court. You have had your opportunity to speak to the order before it was issued. The order has been issued and now you are subject to that order."

Mr. Chairman, there has always been provision under the rules that regardless of whether or not you are engaged in the enforcement of an order, if a person is the person against whom the order has been made he can usually make application to the court to have the order reviewed, if it is too onerous.

The whole weight and thrust of making it imperative is to put the shoe on the foot of the person against whom the order has been originally issued. He is the one who has to respond. He is the one who, if he hasn't been complying, has been the recalcitrant person. Surely the shoe must be on his foot.

There are two things he can do. He can say this order is inequitable or unreal because of changes in circumstances and come to court to vary the order, which he is entitled to do. It has nothing to do with this enforcement provision. He can give the court an opportunity to assess the equity of it. Or, the person who is the beneficiary of the order can say, "Look, the order is there, I want it enforced and I want it enforced in an imperative way." Then, when the attempt is made to enforce the order, if the person against whom the order is outstanding has been so lax in taking any action, even at that point under the rules of the court he can come and say, "Look, I still can't deal with it."

Let us not, in a funny way, punish the victim. That is what the use of the permissive "may" is. You permit the person who has the benefit of an order to have to take some other step. Then you allow the court to interpose an interminable delay on the matter.

By moving to the imperative in this clause, I don't think you are in any sense depriving the person against whom the order is issued of any rights. All you are saying to him is, "If you want that order varied in any way, you better get around to doing something about it. You can't lie in the woods and wait." So the person who has the benefit of the order has to go to the court, comply with the rules of the court and then has to be subjected to another interminable delay in order that this co-called show-cause action will take place.

It is a strange world and it is unfortunate but this is a man's assembly. Most of the orders are out against men and I doubt very much whether we should be the ones who are, at this time, delaying the enforcement of these orders by granting the bench the opportunity of further delay. I think if the judges were consulted they would probably welcome this way of dealing with the matter, because I would assume that not only are these so-called show-cause matters delaying, but they are extremely frustrating for the judge who has to sit and listen to them.

As I say, at the risk of repetition, if the person against whom the order is made doesn't like it because circumstances have changed and he can't abide by it, or doesn't think he should abide by it, he can apply to the court to get the order varied.

Let's concertina this interminable time lag that has crept into the time between an order of the court issuing and the continuous enforcement of that order. I would ask the parliamentary assistant to reflect on what the member for St. George has said and what my colleague has said and accept this amendment, knowing full well the rules of the court are sufficiently flexible to avoid the kind of inequity which may, in some odd cases, occur by the person who is the object of the order having an opportunity to come and get the order varied if he wants it. But he can't lie back and wait for some interminable process before he has to obey that order.

Mr. Sterling: The basic problem with the argument put forward is that the reason for holding a show-cause hearing at all, or to have such a procedure in the whole process, is for the court to be able to proceed without both parties being there. In other words, the wife, in the normal circumstance, doesn't have to come in from far-away places and either lose a day of work or have to get a baby sitter to have a show-cause hearing. It is up to the court to determine why this individual is not paying.

There was nothing more frustrating in my legal experience than seeing a show-cause hearing recalled and the husband, in the normal case, not showing up for that hearing. Consequently, the woman, who is usually financially pressed because of the predicament normally associated with this kind of an order, is out half a day's pay, or a whole day's pay, and in some cases has incurred babysitting, transportation and other costs.

The problem I was trying to express relates to this: If the husband comes in, and there appears to be good reason for him not being able to meet the maintenance order, and if the section has the word "shall" in it, the clerk has no authority to stay his action until a rehearing of the issues can take place. That is the basic argument I am trying to put forward.

If we put "shall" in, there is no real reason ever to have a show-cause hearing. You might as well have both the parties back there to argue the issues over again, because I don't think you can make an order, in changing the maintenance order, without having both parties there. That is basically the reason for us not wanting to put the word "shall" in. It would put the clerk in a legal predicament of having to enforce an order which shouldn't be enforced because

the person who is paying it is not in a position to pay it.

Also, I feel there would be a greater reluctance to hold these kinds of hearings. The rationale behind having show-cause hearings would go. You would go back to the system, which I didn't like, before the Family Law Reform Act was put forward. In that situation you would require the other spouse to be there to prove the case, or have a hearing where the spouse pressing for the maintenance payment would be there to accept a lower payment on a maintenance order.

That was basically the reasoning behind insisting that it stay as "may," as indicated in the original bill.

Mrs. Campbell: Mr. Chairman, I wonder if I could clarify something. Did I understand the parliamentary assistant to say that, prior to the amendment on a show-cause hearing, the wife had to be there? That, of course, is not so on a show-cause.

The problem when they put it was that, as a rule, or at least in many cases, the wife did have to make a sworn statement. Her evidence was not the best evidence since, for the most part, if any moneys had been paid into the court, they had probably gone either to the Ministry of Community and Social Services or to the municipal welfare assistance. She had really no idea about that financial statement, but she was not present unless she chose to be at a show-cause hearing. **[5:15]**

In the days I remember a great many of the orders ran around something like $10 a week. Suppose that at the time this comes into effect you have five years' arrears. I am not sure what a clerk could or would do with that kind of enforcement. If the husband has a good cause—and, believe it or not, most didn't but some did—at what point could the husband seek a variance of that second order? That's where I am having problems.

I would dearly love it if we could say "shall" and that there might be a provision for the kind of procedure where a husband was able to plead a change in circumstances. I don't know what it is today, but certainly in my experience I would say that in at least 70 per cent of the cases—and that may be a conservative estimate—there was no justification for the nonpayment.

This is why I think there should be some procedure open for those cases where the husband has a legitimate excuse. In some cases that did happen.

I wonder if it isn't possible for this to be struck down, and for the parliamentary assistant to discuss the matter further, so we might be able to work into this bill that kind of provision so that we can use the word "shall" and make it stick.

Mr. McClellan: Just a final comment: I would ask the parliamentary assistant to accept the suggestion of the member for St. George. I want to go back to the parliamentary assistant's own comments in the second reading debate.

I would like to reread his remarks about the variance across the province in the use of automatic enforcement by the courts. The parliamentary assistant said: "Unfortunately the procedure"—and here he is talking about the procedure of automatic enforcement—"varies across the 53 family courts in the province. This is due in some cases to the wishes of the family court judges and in other cases it is due to staffing restraints."

Neither of those two reasons is the same as the reasons he has given here today. I am prepared to look at amendments which take care of the show-cause difficulty. I don't pretend to understand the lawyer's argument that has taken place. If there is a problem with respect to the show-cause aspect of it, let us come back with drafting that takes care of that. Please don't ask us to accept that in some parts of the province, because of the whim of a family court judge or because of staffing restraints, the family court will not undertake automatic enforcement of support orders or maintenance orders. That is intolerable, and I am sure the parliamentary assistant will agree that it's intolerable. So I say to him he should accept as a kind of consensus that where we ought to go is to stand this down and see if we can't find the wording to take care of "show cause" and eliminate inequities between regions of this province or from one family court to another. Again, I am quite convinced the parliamentary assistant or the ministry cannot accept that, because of the whim of a judge or because of a staffing restraint, a person in a particular court district should be ineligible to get automatic enforcement of a support order.

Mr. Chairman: Are there any further comments on the amendment?

Mrs. Campbell: Is the parliamentary assistant not prepared to respond?

Mr. Sterling: Mr. Chairman, quite frankly, I don't know how you could draft this bill to take in the problems outlined. I think they were probably better described by the member for St. George in terms of the long-term maintenance payments which hadn't been

made. In other words, if the arrears were very great, what do you do in a situation where maintenance arrears have built up for whatever reason and there aren't any assets to make that payment?

I am quite willing to stand it down. I'm not certain I can come up with an answer this afternoon, Mr. Chairman, but if you want to adjourn the debate on this particular bill, I could discuss it with the staff, because I hadn't had any notice of this particular amendment. I will have to leave that up to the mover of the bill.

Mr. Breithaupt: This is a most difficult situation, Mr. Chairman. Clearly, I don't want to lose the bill because of another amendment which is probably a very worthy one. It's going to cause a great number of difficulties to attempt to accommodate the results which will flow from changing the word "may" to the word "shall," at least from the point of view expressed by the parliamentary assistant.

I think it's clear that the members of the House have been favourable in their comments in attempting to make the correction and the change I have proposed. It is also clear members feel very strongly that orders, once they are made, should be enforced as a rule rather than following the somewhat less imperative approach the legislation has historically had.

I wonder if a possible compromise might be to follow the comments made by the parliamentary assistant earlier. He referred, in the second reading debate, to the need to have certain other amendments to this bill brought before the House. He said there were certain other amendments being considered.

One way of dealing with the matter might be to have this theme further developed as part of a discussion on those amendments. I recognize that would give several months of possible difficulty in some cases. However, I must say I have not heard of particular problems where a clerk has not enforced an order based on some capricious approach. However, the law, as the member for Riverdale (Mr. Renwick) has mentioned, has been permissive rather than imperative. If the member for Bellwoods (Mr. McClellan) could agree, possibly a way to resolve the matter would be not to proceed with that amendment and to stand it over for a clear opportunity to consider that theme and have a response expected from the ministry when the bill, as a government initiative, comes before us for some or certain amendments in a new session, as was suggested would likely be the case.

This may be a way to get what we want accomplished today and, as well, to consider that change in thrust that I think members generally and probably would favour as well when the entire Family Law Reform Act might be open for a variety of amendments in the new session.

Mr. Chairman: All those in favour of Mr. McCellan's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 1, as amended, agreed to.

Sections 2 and 3 agreed to.

Bill 159, as amended, reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported four bills with amendments and one without.

COMPENSATION FOR VICTIMS OF CRIME AMENDMENT ACT

Mr. Sterling, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 177, An Act to amend the Compensation for Victims of Crime Act, 1971.

Mr. Sterling: Mr. Speaker, this particular bill is introduced to allow the Criminal Injuries Compensation Board to expand from its present seven members to an unspecified number of members. Basically, the reasoning behind this thrust is that it would be desirable to appoint some members to the board from areas of the province other than southern Ontario, where most of the board members now come from.

Evidently, the chairman of the board has indicated there has been difficulty in composing a panel of the board from time to time. It would be hoped that some of the new members of the board to be appointed would be from other areas of the province, including northern Ontario and eastern Ontario, and perhaps some members who are bilingual. That is the basic thrust behind the bill.

The members of the board are paid on a per diem basis and, therefore, the overall expense of the board should not be increased in accordance with the number of members on the board.

[5:30]

Mrs. Campbell: Mr. Speaker, just for a brief moment, I would like to express some concerns I have. If you look at the bill, it seems to be a pretty straightforward matter; I'm sure that, basically, is the intent. I guess the only concerns I have are with the membership and with what the parliamentary assistant has said. I recognize the need in

other parts of Ontario, and that of course has to take a good deal of preference.

The thing that bothers me is that, when the minister is talking about new members, he should remember we have just begun, in a pretty tentative way, to understand the rights of children before this particular board. We have had some discussion in the Attorney General's estimates about the kinds of orders that can be made, particularly if a child has been abused sexually, for example, and where one does not have clear-cut evidence at that time as to physical damage; rather, one looks to the future in the hope of bringing assistance to that child.

I am concerned if what is being said here will have any limiting feature on that sort of case, so far as the understanding of the board is concerned. I was hoping that, if we needed any further legislation, it would be here how to enable that particular board to make an order—not for a lump sum kind of judgement or order, but rather to carry the matter so that in the future there could be, as a result of the monitoring, the kinds of service brought to the assistance of a child that may well flow from the kind of traumatic experience the child has had.

One would need to continue to have, both in the north and in the south, people with that kind of sensitivity and experience. I would not like to approve this amendment without being very certain that it won't affect that kind of situation.

Mr. Warner: Mr. Speaker, the parliamentary assistant puts forward what appears to be a very reasonable argument as to why the change is necessary; why, instead of not fewer than five nor more than seven members, it should now be unlimited to meet a need in northern and eastern Ontario in particular.

It all sounds quite reasonable. If one had a suspicious mind, one would think this possibly is opening the door a little bit more to the defeated Tory candidates—giving them a chance at some remuneration. For example, if the parliamentary assistant perceives a need in northern Ontario that isn't met, I would like him to explain why it is so absolutely necessary to meet that need by way of the Lieutenant Governor in Council and not the local communities. Why is it not possible for the communities in northern Ontario to make the appointments?

Hon. Mr. Norton: Well, they do; they have a lot of input.

Mr. Warner: Yes, they have a lot of input; there are several NDP members from northern Ontario over here. But, in addition to that, I don't understand why he wouldn't do that.

Perhaps the parliamentary assistant, in order to alleviate an otherwise suspicious mind, could tell me how much these appointees will be paid and, since he places no restriction upon the numbers, could he tell me in terms of the information he has regarding the need, approximately how many people he intends to have appointed on a part-time basis or a regular basis over the next little while. Perhaps he could explain why it isn't possible for the communities in northern Ontario to make the appointments of people to sit on the board?

Mr. Renwick: Mr. Speaker, this bill poses the precise problem that has been raised both by the parliamentary assistant's remarks and by the remarks of the members who have spoken before on this bill.

If that is what the bill was about—that is, to provide for the regionalization of Ontario or for the travelling of the compensation board to various parts of Ontario, and had said so, and the explanatory note had said so—then, as an adjunct to that, if the parliamentary assistant wanted to eliminate the restriction on numbers, it would have made sense; or he could have said, "We will increase the numbers that are to be made." But he is asking us to divine the purpose from the explanatory note, and that says nothing whatsoever about better service being rendered in other parts of Ontario.

For the life of me, I do not understand why we are faced with bills that are supposed to be self-contained and explanatory, and then have an extraneous reason given for the purpose of the bill. If there had been just a single section saying the board shall from time to time as it sees fit sit in northern Ontario and in eastern Ontario and in other parts of Ontario—if it had said something like that, the parliamentary assistant wouldn't have this kind of a problem. But he is asking us to eliminate the upper and lower limits on numbers and then to take on faith that somehow or other that is going to improve the service in the other parts of the province. That is an impossible jump for us to be expected to make—and we're right here in the assembly—let alone anybody who sees the Statutes of Ontario and finds this amendment has been introduced. There is no way somebody is going to say, "This was designed to provide a method by which the services of this board could be provided in different parts of the province on a more efficient basis."

It is just not possible to do that, and he is asking us to take it on faith because he

stands up and says so. My colleague is entitled to his scepticism; we all share it. If he wants to stand the bill down, to draft a clause that says what the bill is about, stating the purpose it is intended to serve, then he would have no trouble with the bill; but it is a waste of our time to be asked to make this kind of innocuous amendment to achieve some unstated purpose of government.

Mr. Wildman: Mr. Speaker, I wasn't going to participate in this debate but then I heard northern Ontario raised; so I thought I should participate.

I have a number of concerns. Since, as my colleague from Riverdale (Mr. Renwick) has indicated, the parliamentary assistant has indicated that the purpose in removing the upper and lower limits is to provide for perceived inadequacies in various regions of the province, I would like to know right now, before deciding whether to support this amendment with change, how many people are on the board now from the north and what communities they are from. If, as the parliamentary assistant indicates, there are none, could he please explain, following his rationale, why he is eliminating the minimum number as well as the maximum number?

If the idea is to increase the numbers on the board, why is he removing the minimum? It doesn't seem to make a great deal of sense. If what he is saying is that he is going to appoint as many as necessary, could he please tell us what the ministry considers to be the necessary number? How many will be from which regions? How many will be from eastern Ontario, central Ontario, southwestern Ontario, the northeast, the northwest, and north-central Ontario—if you want to include my area?

I would like to know how many native people he considers desirable, if any, to include on the board.

As my colleague, the member for Riverdale indicated, if the minister's justification for the change is as he states, he hasn't made that clear in the wording of the bill. He hasn't set out a regional basis for appointments, and he hasn't stated what would be necessary in terms of numbers. We don't even know, from the way the bill is worded, whether the Lieutenant Governor in Council might not, through attrition or some other process, lower the number of people on the board. That might be desirable, but I would like to know what justification or rationale he has for either increasing or lowering the number.

Would the parliamentary assistant please tell us what he is doing? They haven't done that in the bill.

Mr. Sterling: I indicated in my opening remarks there was more than one reason for asking that the legislation be amended to increase the number of members on the board.

One of the reasons was that it would be a better opportunity for regional representation. I also mentioned that the chairman was having difficulty in filling the panel for the different hearings. In the year ended March 31, 1979, there were 713 applications heard by this board. That was up by 25 per cent from 570 applications the previous year.

At the present time, the board normally sits with a panel of two members. The board's experience is that there sometimes is difficulty in forming the panel for the increasing number of hearings the board is now entertaining. As most members are aware, this board's activities are becoming more widely known to people in Ontario. Therefore, applications tend to increase each year. That is another reason.

In addition to the increase in the number of cases and the difficulty of the board in forming a panel, there is the regional aspect I mentioned previously. Right now, the board sits outside of the Toronto area at least once each month. It sits in various parts: it sits in Sault Ste. Marie, Thunder Bay, Kenora and Sudbury in northern Ontario. At the present, as I indicated in my opening remarks, because the members are all from the southwestern and southern part of Ontario—at least, that's what I was told prior to coming into the Legislature this afternoon—there is a backlog in the cases heard outside of the Toronto area.

It is thought that, with the appointment of additional members outside of the area, this backlog would be decreased and the hearings would occur at an earlier date. Also there would be a saving to the government in terms of the transportation costs for the board members since they are reimbursed for those costs.

[5:45]

It is thought there would be a further five or six part-time appointments to the board. All the members of the board, save the chairman, are part-time. I do not know how many there will be from each particular area. I imagine it would depend on the need in the area exhibited by the caseload experience in the past.

With respect to the concern of the member for St. George in relation to child-abuse cases, we may very well have to bring the legislation back to deal with that particular

problem. This bill was not meant to address or even to consider that problem.

In answer to the question asked by the member for Riverdale with respect to amending the bill, I don't know what kind of an amendment he has in mind in terms of expressing the meaning or the intention of the bill.

Mr. Wildman: Set out the regions.

Mr. Sterling: The only problem with setting out the regions and the number of people per region is that it could fluctuate from time to time in the future. Quite frankly, I don't know why the bill should set minimum or maximum limits. We're moving into something completely new and the number of board members should fluctuate with the demands placed on the board. Therefore, this sort of open-ended bill would seem to be the right approach.

Motion agreed to.

Ordered for committee of the whole House.

INTERPROVINCIAL SUBPOENAS ACT

Mr. Sterling, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 178, An Act to provide for the Enforcement of Interprovincial Subpeonas.

Mr. Sterling: Mr. Speaker, as I mentioned on the introduction of this bill, it provides for a method of enforcement within Ontario for out-of-province subpoenas dealing with civil and provincial offences in other jurisdictions. It also gives Ontario residents the responsibility of receiving a subpoena from reciprocating provinces. Those provinces have been outlined in the explanatory note on the bill and include British Columbia, Saskatchewan, Manitoba, New Brunswick, Newfoundland and the Northwest Territories.

The idea is to avoid the expensive and complicated procedure now necessary to subpoena someone and to obtain a judgement in our present justice system.

The bill provides for protection of the witness going to another province by providing him with conduct or witness money which must be paid in advance. There is additional protection for the witness in the bill to prevent an abuse of the process in that the subpoena cannot be used to entice the person into the jurisdiction in order to serve him with further legal documentation to draw him into other legal proceedings.

I think the bill is fairly straightforward. It results from the proceedings of the uniformity of legislation in Canada commissioners. I think it is a good piece of legislation which really shows the co-operation that can be shown between the different provincial jurisdictions in a country.

Mrs. Campbell: Mr. Speaker, I understand the purpose of this bill, but I am particularly concerned about section 7. We have the principle of the bill, that someone has a subpoena and is brought into Ontario. We have witness fees, and certainly this province cannot be deemed to be overly generous about this kind of provision. But we have the provision, for example, the cost of hotel accommodation for not less than three days at the place where the witness is required to attend in court, in an amount not less than $60.

Then we have the unusual provision of them demanding additional sums to cover this kind of situation when a person is under subpoena. It is bad enough, I suppose, when it is in your home province, but if you have come from British Columbia, and this is the kind of fee schedule we show and they have to move to get more money, I just wonder how, in practical terms, we are going to enforce this kind of thing.

Surely we should be pretty reasonable right off the bat, rather than have that kind of provision which doesn't seem to be very reasonable if a witness has to be called into Toronto, for example, to give evidence.

The principle of the bill is one, which I think, is long overdue. The tragedy is that not more of the provinces are in support of this sort of procedure. One would hope we would end up with all the provinces supporting this, because in the normal course it should speed up the justice procedures and make it possible to get on with trials across the whole of Canada.

Mr. Warner: Mr. Speaker, you will probably be disappointed to know I am going to be brief on this one.

We support the principle of the bill put before us. As the member for St. George has said, it is overdue. It is not the member for Carleton-Grenville's fault this province normally follows, rather than leads. He has probably had a hand in it, but it is nice to know we have followed along with British Columbia, Saskatchewan, Manitoba, New Brunswick, Newfoundland and the Northwest Territories in attempting to catch up in modernizing the law. So we will support the bill.

I also would like an answer to the question raised by the member for St. George.

Mr. Roy: Thank you, Mr. Speaker. I just want to say I think this type of legislation is long overdue. I would subscribe to the comments made by my colleague from St. George, especially about fees.

It is bad enough that you get subpoenaed to end up in BC for Thursday, December 27, or something. At least you should have sufficient funds. Where are you going to find a hotel room in Vancouver for three nights for $20? Do we want the witness to stay in an area of the city which is questionable? Do we want that of our witnesses in this province? Surely, if the member were subpoenaed, he would not want to be placed in that position. I think our fees should be reasonable to start with.

I want to make another comment. What is wrong with the province of Quebec? Maybe he knows and maybe he doesn't. Why are they not in this? I would think there would be more witnesses exchanged with Quebec than all the other provinces together. It seems to me that is where we would really need it. That has been my experience in my very limited practice. You know that is so.

I would like to know whether the member might help us on that. If the Minister of Consumer and Commercial Relations (Mr. Drea) can get along with Lise Payette, surely there has to be a way the member could get along with the Minister of Justice of Quebec and get some form of reciprocal agreement with that province.

I really do think that in the administration of justice this legislation is necessary, but let's make it workable and if we are treating everyone within the system with a certain amount of justice and lawyers are trying to get adequately paid—and it is tough—if we are causing this type of inconvenience to witnesses, let's give them enough. They are not in it to make money. The disruption of ending up some place else is bad enough but at least there should be sufficient funds to be able to survive while you are there.

Mr. Wildman: By the way, I have a subpoena for you.

Mr. Sterling: From out of the province? If the member opposite did have a subpoena for me he would also have with him in his hand the conduct money necessary for me to appear in that other court in that other jurisdiction.

I agree with the members opposite that the money is not enough, but the fact of the matter is this legislation is identical in the schedule, in the money, in every other aspect with the legislation in the other provinces. The amount, I also indicate, is the minimum amount. Once the witness appears in the trial he has every right in section 7 in Ontario—and a similar section appears in all the legislation in other jurisdictions—to ask for what it is costing him to stay in that area.

The money has to go out. As you know the subpoena often goes out quite some time in advance of the trial. Therefore, the money is going out on the front end. We wanted to keep the legislation in tune, as an exact replica of the legislation in the other areas, because it is basically what has been recommended to us by the Uniform Law Conference of Canada. Therefore, we put those amounts in. Again I indicate those are minimum amounts. You can ask the courts for additional amounts of money if those amounts are going to be incurred.

The other thing—I didn't know this and I had asked the question the member for Ottawa East asked about Quebec. I thought, why isn't Quebec under this piece of legislation. The answer I got was there is legislation that actually goes back to pre-Confederation days which is still in force and is enforceable in the courts, which allows witnesses to be subpoenaed from one province to the other. By evidence of this piece of legislation we would be quite willing to go along with Quebec and have them pass a similar piece of legislation which would automatically opt them into it as well as the provinces that are already there.

I hope that this answers the questions of the other members.

Motion agreed to.

Ordered for third reading.

The House recessed at 6 p.m.

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No. 127

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Tuesday, December 4, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

Mr. Cunningham: Mr. Speaker, on a point of order. A rough count indicates there are only 10 members in the assembly; I would think that would be far below a quorum.

Mr. Deputy Speaker called for the quorum bells.

On resumption:

ONTARIO MUNICIPAL IMPROVEMENT CORPORATION AMENDMENT ACT

Hon. F. S. Miller moved second reading of Bill 171, An Act to amend the Ontario Municipal Improvement Corporation Act.

Hon. F. S. Miller: Very briefly, Mr. Speaker, this act complements some other legislation brought forward, I think by the Minister of Education (Miss Stephenson), perhaps the Minister of Intergovernmental Affairs (Mr. Wells). It amends the Ontario Municipal Improvement Corporation Act so that the corporation can issue debentures for school boards.

It is required to allow school boards to have access to low-interest debentures through the advantages provided by the Ontario Municipal Improvement Corporation Act's low rates. It is also required because of the change in policy enunciated about a year ago, last budget by my predecessor, when he changed the method of financing capital works for school boards in the province.

Instead of having the school boards finance 100 per cent of their needs, with a complicated grant system whereby we paid them back not only the capital but the interest, we are now giving—75 per cent I believe it is—up-front grants for those approved capital works and allowing the school board to decide whether or not it will borrow the difference by borrowing through the municipality it is in or going to the Ontario Municipal Improvement Corporation for its funds.

Mr. Epp: Mr. Speaker, in the absence of my colleague the member for London Centre (Mr. Peterson), I just want to say we will support this bill. Obviously, this particular act means the Ontario Municipal Improvement Corporation will have more control on the debentures of the school boards. It also means there is going to be a clearer understanding as to who is responsible for these matters.

I think the municipalities themselves will welcome this particular change; and as the Treasurer has indicated, having funds available at a lower interest rate means the public will save money, I guess, in the long run. This being essentially a housekeeping bill, we have no problem with it and obviously will support it.

Mr. Laughren: When I first looked at this bill I didn't understand it; now that I have examined it for several weeks I am in the same position.

If my understanding of the bill is correct, and this is open for debate in itself, it now allows the Ontario Municipal Improvement Corporation to purchase debentures—the Treasurer said "issue debentures," and I am not sure he really meant that—on debts of a school board.

I don't know how word gets out on bills like this, but in the riding I represent, which is admittedly more sophisticated than many of the ridings other members represent, my phone has been ringing incessantly on this particular bill. People from Shining Tree have been calling me and asking me about the Ontario Municipal Improvement Corporation Act and wanting to know whether the change in this act will apply to local services boards, as is recognized under Bill 122 as brought forward by the Ministry of Northern Affairs.

Perhaps the minister could answer some of those questions, because the people in Shining Tree are concerned about the Ontario Municipal Improvement Corporation Act and whether or not it is some kind of devious way in which bills will be shifted from the province to the good burghers of Shining Tree. I hope the Treasurer will allay my fears.

Of course Shining Tree is only one of many communities which I could give examples of. We understand and we are worried about the fact the Minister of Education has brought forth a number of bills which are not unrelated to this one.

We are worried there might be a subtle shift from the province assuming certain obligations concerning the cost of education in this province and putting—

Hon. Miss Stephenson: I'm not running away to Chapleau with you; you can't even count.

Mr. Laughren: Come to Chapleau with me.

Hon. Miss Stephenson: It's only one bill.

Mr. Laughren: The flying club there needs someone with your assets.

Mr. Foulds: You wouldn't care to define those assets.

Mr. Laughren: Back to the bill, Mr. Speaker.

There is suspicion out there across Ontario that everything the Treasurer does has some kind of more subtle meaning than is evident in the wording of the legislation. I would just ask the Treasurer if he would assure us this bill is not some kind of attempt, devious or otherwise, to shift some of the obligation of educating Ontario's people from the province to municipalities such as Shining Tree.

Mr. Roy: Mr. Speaker, I just want to say to you, in spite of the cynicism I get from the left of me here—I was minding my own business in my office and one of the page boys came along and said "We are short of bodies in the Legislature. Come on up here to support the Treasurer in passing this legislation." So I thought I should come up here, get it on the record and say something nice about the people to my left.

I have been looking at the Treasury critic of the NDP, and I just remark to him that he looks pretty good. In fact he looks more like a Treasurer than the Treasurer himself. I am surprised the Minister of Education didn't take up the offer of just a second ago.

I just want to say to my colleague from Nickel Belt the people of Vanier have had the same response to this bill as the people from Shining Tree. The phone has been ringing off the hook over this legislation, yes; but I explained to him the Treasurer's motive in bringing forward this legislation was honourable.

Hon. F. S. Miller: I am a little worried. Yesterday they had to clear the Toronto Stock Exchange for some mysterious cause. I have been sitting here sniffing some of the stuff coming from the Clerk's desk and I suspect the wind has been going that way and they have had a little too much glue fumes over on the far side.

Mr. Foulds: On a point of personal privilege, Mr. Speaker. There are no untoward smells coming from the Clerk's desk, I am sure of that. I resent this attack upon the servants of the Legislature when they cannot defend themselves.

Mr. Deputy Speaker: Order. Is there any other honourable member wishing to speak to this bill?

[8:15]

Mr. Roy: I am not finished, Mr. Speaker. You know from my previous experience in this chamber that usually I conclude somewhere close to the legislation. I just want to say to the minister, and to my colleague from Waterloo North of course—

Hon. F. S. Miller: It's where he's at that counts.

Mr. Roy: No, no; we have so many members from that area we have to get the ridings straight.

Once my colleague from Waterloo North advised the Treasurer he was in support that was good enough for me, the support there was automatic. I just wanted to put on the record, Mr. Speaker, that I received many calls; and that I am glad to see that the Ontario Municipal Improvement Corporation will finally be authorized to purchase debentures, that is important in Ontario.

Hon. F. S. Miller: The good burghers of Shining Tree certainly are good. I recall stopping in at McDonald's and they were excellent.

Mr. Roy: Oh no, do you want the rest of us to walk out?

Mr. Foulds: You're going to lose your quorum again Frank.

Hon. F. S. Miller: After you have been Treasurer you have got very little else to lose but your quorum.

Let me assure my colleague from Nickel Belt, Mr. Speaker, there is nothing in this bill that is deceptive. In fact for a change we have got rid of a double-entry bookkeeping system that truly was confusing. We put it on a much simpler basis so the real net debt of a municipality shows; it doesn't appear on my books as an asset and on their books as a liability, making everything inflated.

Mr. Deputy Speaker: The question before the House is approval of second reading of Bill 171. Is it the pleasure of the House that the motion carry?

Mr. Laughren: Never.

Mr. Deputy Speaker: All those in favour will say "aye".

All those opposed will say "nay".

In my opinion the ayes have it.

Motion agreed to .

Ordered for third reading.

First Clerk Assistant: The 21st order, second reading of Bill 179, The Powers of Attorney Act, 1979; Hon. Mr. McMurtry.

Hon. Mr. Gregory: On a point of order, a point of privilege, Mr. Speaker; the minister is not with us at the moment. I wonder if I could ask the indulgence of the House for a few moments to make sure he is here shortly.

Mrs. Campbell: Why isn't he here now?

Hon. Mr. Gregory: He is on his way; the parliamentary assistant is on his way.

Mr. T. P. Reid: This is typical of the way they are running the province.

Mr. Laughren: This is not a point of order or privilege.

Mrs. Campbell: No, it isn't.

Mr. Laughren: A point of order is to—

Mr. Deputy Speaker: Order.

Mrs. Campbell: Move we adjourn.

Mr. Deputy Speaker: I am waiting for someone to call the orders of the day.

Mr. Warner: To the point of order, Mr. Speaker: There does not appear to be anyone on the government side who is in charge of the government business. I would ask, sir, if they are not ready to proceed with an order of the day that the House be adjourned.

Mrs. Campbell: Well, move we adjourn.

Mr. Deputy Speaker: It would be up to someone to move the adjournment of the House.

Mr. Warner: I move the adjournment of the House.

Mr. T. P. Reid: A move to adjourn is always in order.

Mrs. Campbell: It is not debatable.

Mr. Warner: Do you want me to move it twice, Mr. Speaker.

Hon. Mr. Gregory: Would you allow the Speaker to rule on it rather than you?

On a point of order, I wonder if I could ask the indulgence of the House for a few moments. We have had some delay in getting the member here. I am assured he is on his way.

Mr. T. P. Reid: It is not our fault.

Hon. Mr. Gregory: I am not suggesting it is anybody's fault.

Mr. T. P. Reid: It's your fault.

Hon. Mr. Gregory: No; I don't think it's my fault either.

The member has come in, Mr. Speaker. I ask that we proceed with the 21st order.

Mrs. Campbell: There is a motion on the floor.

Mr. Warner: Mr. Speaker, we obviously have a desire to carry out the business of the House in an orderly way. I would remind every member present, and the Speaker that we previously dealt with a matter not listed on our order of business. We did so out of a spirit of co-operation. Having done that, we then moved to an order which is printed but for which there is no accountable minister. I submit it is a very unusual way for the government to ask us to conduct the business of this assembly.

Having said that, if we have now rounded up someone who can account for the legislation, as good or bad as it may be, I'm quite prepared to withdraw my motion and proceed with the orderly business of this House.

POWERS OF ATTORNEY ACT

Mr. Sterling, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 179, The Powers of Attorney Act, 1979.

Mr. Sterling: Mr. Speaker, as indicated on November 15 when this bill was originally introduced for first reading, the former Powers of Attorney Act is being repealed and replaced by this act. I believe it will be more appropriate and of much more use to people who want to appoint a power of attorney, not only for carrying on business during the time when they have capacity to carry on that business but also to carry on when they no longer have the mental capacity to transact their own business. There are appropriate safeguards in the bill for the termination of the power of attorney should there be an abuse of the power of attorney by that attorney.

This bill is based on the Ontario Law Reform Commission's report on the powers of attorney. I believe it will be a useful and powerful document that can be used by many of our residents to avoid costly court proceedings when people, at a late date in their lives, have lost the capacity to conduct their own business affairs.

Mrs. Campbell: Mr. Speaker, the bill is a welcome one, generally. I think most of us have wrestled with powers of attorney for quite some time and recognized the need for some change.

The one thing I would like to ask is this: as I read the bill, in those cases where there is a power of attorney now it does not fill the requirements under this legislation. I do

not see, and if I have missed it I would like to be directed to it, a section which could prevent some of the chaos I see occurring with this interim kind of situation.

It's the only comment I have. I welcome the bill, but I do know of powers of attorney which are outstanding where there has been no declaration or finding in the sense of this legislation. For instance, where a person has been named as an executrix in a will the power of attorney she has given to someone else is in effect, or has been, and yet she has been found not to be capable of acting as an executrix, for example on the basis of medical evidence. Where does that leave that kind of power of attorney at this point?

Mr. Warner: Mr. Speaker, this party supports the bill brought forward. In our opinion, it is needed legislation.

I might add that we appreciate not only the explanation which was given but also receiving a copy of the form. I just wanted to clarify—if the parliamentary assistant could indicate—whether or not the form which was provided will be an appendix to the bill. It's normal, in most cases, to have this type of form as part of the regulations. We don't normally get to see this as part of the legislation but, rather, it's left to the will of those who determine what regulations there shall be. I'd like to ask the parliamentary assistant to clarify whether or not the simplified form which was provided will become part of the legislation which we pass here tonight?

Mr. Renwick: Mr. Speaker, I have no desire, unless my colleague wishes it, that the bill go into committee, but there are a couple of matters in the bill that are of concern to me. Perhaps if the parliamentary assistant could answer them in his remarks on second reading it may not be necessary to put the bill into committee.

I'm referring particularly to the form at the back of the bill. I'll skip the typographical error that's in there. The word "my" somewhere in the body of the bill should be "may." What confuses me and worries me about this kind of form is the capitalization of the particular clause which may or may not be inserted, depending on whether you want the power of attorney to be enforced should you become incapacitated. It's in capital letters. The provision in the bill is "may," "a general power of attorney may be in form 1 . . ."

I don't understand whether or not there is any significance in the capitalization. I don't want somebody, somewhere, some time to raise the argument that the form of power of attorney can be in any other form, but the particular words have to be in capital letters. I think the document leaves a technical question which should not have to be asked.

I would specifically ask the parliamentary assistant, on second reading, to say why the capitalization is provided in the form. What is the necessity of having it capitalized? If somewhere, some time, somebody puts it in lower case rather than upper case, is it opening an argument that someone can say the power of attorney is no good? That's the principal question I have.

The bill, of course, deals with some very technical matters which, in case law relating to powers of attorney, was the subject matter of the Ontario Law Reform Commission's report many years ago. I'm glad that even at this late date the mills of the gods have ground this out of the ministry and that we have it here before us just before the next decade starts.

Perhaps the parliamentary assistant would let me know whether or not that general form poses a problem, because I know that he is an acute, discerning, technical, legalistic member of the profession and I'd like his opinion on it. Otherwise, I would suggest the bill go into committee and we put the upper case language into lower case and make certain there is no confusion about it. **[8:30]**

Mr. Sterling: Mr. Speaker, I would like to apologize to the House for my late arrival. Unfortunately I was unable to get back to the Legislature as early as I anticipated.

In relation to this power of attorney, I would like to point out to the members—and I didn't do this in my opening statement—that the form for power of attorney under form 1 is considerably freer of technical and legal jargon than the standard form lawyers use for power of attorney.

I must say that in reviewing this particular bill in the justice policy area, I was not satisfied with the first form brought forward because of my experience in my small law practice that people did not understand what all this technical jargon was about. I wanted to simplify the form; I wanted to make it as straightforward as possible. I think this form will be much more easily understood by the public.

In relation to the questions by the member for St. George relating to powers of attorney created prior to this act coming into force, they will continue in force under the old law, and therefore if a person wanted a power of attorney to extend to a situation

where that person became incapacitated they would have to draw a new power of attorney.

I felt in my original involvement with this particular piece of legislation that form 1 was a part of the bill and I want to assure the member for Scarborough-Ellesmere that form 1 is an important part of this piece of legislation because it will be the part used by the general public and I think it is appropriately placed as part of this act.

I am assured by legislative counsel it will not matter whether the lower and upper case contained in that form is included, either in lower case or in upper case, and I would refer the member to section 5 of the bill for that authority.

Motion agreed to.

Ordered for committee of the whole House.

ARCHITECTS AMENDMENT ACT

Mr. Sterling, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 176, An Act to amend the Architects Act.

Mr. Sterling: Under the present Architects Act, an architect is prohibited from working for a corporation. Unfortunately, this prejudices the rights of architects in Ontario to participate in offshore endeavours. Many foreign jurisdictions would rather deal with a corporation and actually stipulate that it will be necessary to when dealing with services that are provided by architects.

Therefore, this bill provides an amendment to the Architects Act to allow architects to work and provide architectural services for incorporated companies that have contracted for services outside of our jurisdiction.

Mrs. Campbell: I am very pleased this was adequately explained because I had some difficulty with this bill and with the explanation which was given to us.

I have nothing further to say on this bill.

Mr. Warner: This is a very interesting little bill. Perhaps the parliamentary assistant can explain, but I take it what this bill does is protect the architect who is resident in Ontario and who may be responsible for shoddy workmanship outside the province from being sued. I take it that is the major effect of this bill.

Mr. Renwick: I am unhappy with the bill. I don't know whether it has any immense consequences to the world in which we live but I am unhappy for a number of reasons. Is the parliamentary assistant prepared to give us the facts of the specific instance that led to this initiative on the part of the ministry to put this bill before us so we can understand what its implication are, rather than generalizing about jurisdictions wanting to deal with corporations out there? Who did the ministry hear it from, what was the reason, what was the representation that was made by the association of architects? What was its purpose and what will be done to protect the revenue of the province of Ontario from architects here taking on jobs abroad; doing all of the work here but funnelling the money into a corporation organized and incorporated abroad and defrauding the revenue here?

All of those questions make me wonder why the government is meeting the specific request made by the architects' association disguised as a generalized piece of legislation. Either there was a specific request or the Ministry of the Attorney General had better start disbanding part of its staff. If all they have to do is think up this kind of amendment to the Architects Act they have too many lawyers over there, one or the other.

Will the member for Carleton-Grenville level with us and tell us precisely why this bill is in front of us? I can't believe it simply came out of somebody's head that this was an essential piece of legislation to be put before this House on the evening of December 4, 1979.

Mr. Roy: Mr. Speaker, in looking at the legislation, I've had some difficulty understanding exactly what it means. My colleague the member for Riverdale suggested that, possibly the Ministry of the Attorney General has too many lawyers. That may be. I suspect one of the reasons we are getting this legislation is that the architects in the past have been too busy to worry about this legislation—except in the last few years when they had nothing to do. Now there may not be too many lawyers but too many architects out there looking for them.

As my colleague has said, I thought we were going to get a comprehensive bill dealing with architects. I thought this was in the works. I think it's not unreasonable for members of the Legislature to get some explanation from the parliamentary assistant why we are not getting the comprehensive legislation.

Second, let us get at exactly what is happening here with this legislation. The architects have apparently tolerated the situation for many, many years and now this legislation is brought forward. What is the motivation behind it?

I must admit I have always had some difficulty understanding the process of how, all at once, legislation ended up on the floor of the House correcting problems which apparently had been tolerated for many, many years and nobody seemed to do anything about. I suppose if there is an example of this, this is the legislation here. All at once we are getting legislation which apparently permits architects now to work for a corporation and the corporation apparently to be able to do work for the government or on a project situate outside Ontario.

I have some difficulty and I would appreciate some explanation.

Mr. Sterling: I must say I am a little amazed at the outrage expressed by the members opposite.

First of all, if we refer to section 10(3) of the bill we see it relates to projects situate outside of Ontario.

The other matter is if, as alleged by members opposite, it is a method of draining off income out of Ontario, if the shareholders or the owners of the company are Ontario residents, they have to report world income, no matter where the corporation might be. I cannot in all honesty follow the member for Riverdale's argument on that end of it.

Often, in foreign jurisdictions, and in particular in the oil-rich countries, approaches are made to companies, consortiums in Ontario. They don't want to contract as a normal owner with an architect and then have the architect work with the contractor to put up the building. They want to buy a package for the whole show. They want the building designed, built and they want to deal with one party and one corporation in that particular matter.

We will admit it's the architects' association that wants this bill.

Mr. Foulds: Why?

Mr. Sterling: They want the bill so they can participate in this business cheaply in the Middle East in these overall contracts. The Middle East countries are requesting that they deal with corporations.

In dealing with the federal government from time to time in the past, they have requested that in service contracts they deal with corporations rather than individuals. It doesn't make any sense to me that anyone would want to deal with a corporation rather than an individual, but that's sometimes what some governments want.

[8:45]

This bill basically puts architects on the same ground as architects from other jurisdictions who involve themselves in offshore business. I would have thought there would be wholesale support for that kind of an idea. Isn't selling our technology in a foreign country desirable?

I'm sorry, I missed the point of the member opposite on that; I do not see how they can drain off income through this particular matter. Either the member for Riverdale doesn't understand the Corporations Tax Act or I just can't follow his argument; I think his suspicions are unfounded.

Motion agreed to.

Ordered for committee of the whole House.

STATUTES REVISION ACT

Mr. Sterling, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 181, An Act to provide for the Consolidation and Revision of the Statutes.

Mr. Sterling: Mr. Speaker, this bill basically gives the legislative counsel the right to put together all of the statutes that have been accumulated in the province. I thought it might be wise to outline the difference between this bill and its effect as compared with the Revised Statutes of Ontario 1970.

Basically, the largest change will surround the index of the statutes. In the past, the index has been an alphabetical listing of the subject matter within the statutes. The index under the new 1980 RSOs will be an alphabetical index of subject matter covering all areas of legislation, so in dealing with licences, we will deal with the Municipal Act, we will deal with the acts of the Ministry of Natural Resources regarding fishing licences, et cetera. It is hoped this will provide the public with a better access to the law relating to the Ontario Legislature.

That is probably the main thrust of the difference in this particular Revised Statutes of Ontario. Most members are aware this procedure has gone on in the past. It was done in 1970, 1960, 1950, 1937 and 1927 and going back, with revisions about every 10 or 15 years.

There has also been a request in relation to statutes which are not included in the RSOs. Many people, and in particular the legal profession, have been concerned about acts which are not included in the RSOs. In the 1980 RSOs there will be included a list or schedule of all of the statutes which are not included in the 1980 RSOs. These generally are statutes which have dropped out of use and are of interest only to a small portion of the province.

The only other part that will change is that short titles will no longer include the

word "the." The Abandoned Orchards Act will become—I don't know how to say it without using it now—Abandoned Orchards Act. This is put in because when people are quoting the act they automatically use the article in front of the title. It looks rather ridiculous when you're writing "the The Abandoned Orchards Act."

The revised statutes and revised regulations will cost approximately $2 million to produce. In the past, this has been recovered from sales from the Queen's Printers.

Mrs. Campbell: I recognize this is, for the most part, simply a matter which we go through, or this House goes through, about every 10 years, even though I recognize some changes in this piece of legislation. One of the things that really does bother me is why at this time we should not have built into an act of this nature some provision whereby we can repeal some of those bills which are obsolete.

I was very pleased to be present when Mr. Stone was explaining to us the matter of the Railway Act and the importance which he felt it had historically, but I wonder how many other statutes there are which are not repealed and which are still of some effect on our lives. Why wouldn't it be useful, when we do a 10-year review or revision, to provide some mechanism whereby these statutes could be referred to the appropriate ministry —if we can find the appropriate ministry, with some of these elderly numbers—so that we could get over some of the problems of having legislation which is not included in the Revised Statutes of Ontario but which is still in effect?

I recognize that this gives us authority to reintroduce them, but why wouldn't it be a good time to try to get rid of those pieces of legislation? Goodness knows, there must still be a good many of them in effect that nobody really knows anything about, acts which are too obsolete to be usefully brought forward or even referred to. Why don't we take this opportunity to have some procedure built in so we can repeal those bills which are no longer of use to us?

Mr. Warner: I certainly understand, Mr. Speaker, as I am sure you do, after having gone through several bills both before the supper hour and afterwards, why the Attorney General isn't here. He is embarrassed by the legislation which we have had in front of us; poorly drafted and unexplained. As the parliamentary assistant probably knows by now, it was not originally our intention to put each of the items into committee, but because of the numerous unanswered questions they have to go into committee stage. It is unfortunate, but it is very poor legislation that has been placed in front of us today.

On this one, I have a few questions. I would like to know, for example, if it is the intention of the government through the revision of the statutes to place the material to which the parliamentary assistant referred into the computer system so there will be computer access to the statutes for the members of the assembly, for the lawyers through the Law Society of Upper Canada, and for anyone else who might wish to see it; for example, would the computer access be available to the Metropolitan Toronto library or to anyone else, the University of Toronto or others? It seems to me that if you are going to bring the legislation into the 20th century, as you seem to be attempting to do through this bill, it would make sense to computerize it so that people who are interested can retrieve the information very quickly and thoroughly.

I might also mention, Mr. Speaker, because I know you will have an interest in this, that section 1 of the bill makes mention of a person who is well known to members of the assembly and who, in my opinion, is deserving of a great deal of praise. Mr. Arthur Norman Stone is mentioned in section 1 of the bill. I haven't been around this assembly all that long, but he is probably one of the few people who has actually been named in legislation.

This gentleman, in my opinion, is worthy of our highest praise because he has served the members of this assembly in very good stead. It has been my experience, in the short while I have been in the assembly, that at any time I as a back-bencher have required information which would assist me in my work here, the legislative counsel, under the direction of the senior counsel, Mr. Stone, has served me extremely well and, as far as I know, he has served each member of the assembly extremely well in providing the kind of information and assistance which we require to do our job as well as we can. I am certainly pleased to see he is mentioned in person in the legislation. I think it is a tribute to the kind of quality that man has always exhibited.

Having made those few remarks, I indicate that this party will support the legislation and I look forward to the parliamentary assistant's comments on the computer access.

Mr. Roy: Mr. Speaker, I would echo the comment of the previous speaker as far as he has directed his comments towards Mr. Arthur Stone and his colleague Mr. Fader.

Every 10 years we sort of look forward to the revised statutes coming along because the amendments which have been made over the last 10 years makes researching far, far more difficult. You are chasing all over in those red books trying to find out whether any statutes in the Revised Statutes of Ontario 1970 have been revised. Those of us who occasionally practise look forward to the revision that takes place every 10 years because obviously the matters are consolidated, they are put into order and it makes things far more easy for those involved with the law, whether they be lawyers or those involved in the research of the law.

[9:00]

I have to say, without wanting to be offensive at all to Mr. Stone or Mr. Fader, that it must be a considerable task to get all this material together, to index it. It sounds like something with which I would not personally like to get involved. However, as I said, those of us involved in a limited capacity with law look forward to the revised statutes for our use, but I would hate to be the one involved in preparing the Revised Statutes of Ontario. That sounds to me about as exciting as being parliamentary assistant to the Attorney General and having to go through this legislation over the last while talking about the enforcement of interprovincial subpoenas, Powers of Attorney Act, Architects Act and so on. It has not been the most exciting evening, Mr. Speaker.

In any event, I would like the parliamentary assistant to know I look forward to the 1980 amendments. I understand many of the statutes are being translated into French. I don't know how far the translation has progressed, but I can think of one thing less exciting than preparing the revised statutes and that is translating them. That is not a job I would look forward to, I can tell you, Mr. Speaker. However, that is going on.

I appreciate we are talking about a limited number, but it would be helpful if there were some way to indicate which revised statutes are available in both official languages. I understand that at present statutes in common use such as the Highway Traffic Act, the Residential Tenancies Act and other acts of a similar nature are being translated. But it would be helpful if we could have some idea which revised statutes are translated and which ones are in the process of translation. I suppose we will not know for 10 years after the revised statutes come out which ones are translated, except for the occasional press release coming from the Attorney General's office.

These are some of the things that concern us. Another matter, and I think my colleague has discussed it, is the possibility of having the statutes indexed and computerized in order to provide more rapid access to the required information. Is anything being done in this direction?

Mr. Speaker, having said all this, I am boring myself. I will not bore you any longer.

Mr. Renwick: I just have a couple of matters. I wonder whether the parliamentary assistant might look at some point at the Interpretation Act, which governs all the statutes; it is a fascinating piece of reading. We certainly never need to worry that amending the law changes the law. There is a specific provision in the Interpretation Act which says if we change the law we're not to be thought to have changed it; it is considered to be the same as it was before it was amended. I never did understand that.

There are two provisions which particularly concern me. One is I don't think any members of the assembly in this day and age think that when we pass a statute with a penalty clause imposing imprisonment we are thereby authorizing the imposition of imprisonment at hard labour. I would be inclined to think there isn't a single member of the assembly who would have thought we were authorizing the imposition of hard labour. I would suggest that somebody, some time, look at section 24 of the Interpretation Act which states, "Where power to impose imprisonment is conferred by an act, it shall be deemed to authorize the imposing of imprisonment with hard labour."

With the swing to the right of the Tory government, I think the citizens of the province are entitled to protection against the imposition of hard labour. With the member for London South (Mr. Peterson) and the member for Eglinton (Mr. McMurtry) in charge of the whole operation around here, I would be inclined to think we should make certain that provision of the Interpretation Act is changed.

I notice we do pay deference, even in a very male-dominated assembly, to Her Majesty. In the definition section, it is "Her Majesty, His Majesty, the Queen, the King, the crown" et cetera. But all the statutes are are denoted in the masculine gender. I wonder whether for the next 10 years it wouldn't be a good idea for us to reverse it and to provide that throughout all the statutes—I'm sure the member for St. George would support me—instead of "he" or "his," it be "she" or "her." That would mean that the provision of item (j) of section 27, which is

headed "implied provision," would have to be changed.

It presently reads, "Words importing the singular number or the masculine gender only, include more persons, parties or things of the same kind than one, and females as well as males in the converse." Perhaps if the suggestion were accepted that "he" and "his" should be replaced by "she" and "hers," we could reword that, for the next 10 years to say that, "Words importing the singular number of the feminine gender only include more persons, parties or things of the same kind than one, and males as well as females in the converse."

With those two suggestions, each of which I think merits the attention of the government, I have no further comment on this bill. I'm not even going to ask that it be put into committee, provided the parliamentary assistant will give us his undertaking he will adopt the two matters to which I have referred.

Mr. Sterling: First of all, I would like to indicate that in some ways this kind of legislation should not really flow from the Attorney General or from the government. In many ways it might be a bill which should be considered an expenditure from this legislative assembly itself. Truly, the publication of statutes does not really have a lot to do with the government. It's a right of the people to receive the statutes as they might be.

As such, I'm quite easy with any suggestions that might be put forward. However, I do think that at the present time we have been charged with bringing these bills before the Legislature.

I would try to answer some of the concerns of the members opposite. First of all, the repeal of the old—

Mr. Speaker: They only reason why you have it is because either the Clerk or the presiding officer does not have the authority.

Mr. Sterling: We might be very willing to pass that over to you.

In relation to the repeal of the old section, I couldn't agree more with the member for St. George's comments. The only thing I can suggest—because I quite frankly don't think it can be done prior to the production of the statute—is that that matter should probably be raised when the revised statutes for 1980 come out and then an attack should be made on the whole process of these older statutes. As I mentioned in my opening remarks there's going to be a compendium, a list of those that are around but aren't printed. Actually, the government of the day should be put on notice so they have to justify why these acts are still around.

In regard to the computer system, as I mentioned in my opening remarks, the indexing of this particular statute as set out has been specifically designed to fit into a computer system. I'm informed by legislative counsel that they hope to be able to put this on a computer within a three-year period. Again, whether that is done earlier or later is up to the Legislative Assembly as a whole. There is also a considerable amount of work in that particular task.

I did find the member for Scarborough-Ellesmere's remark a bit amusing. First of all, he attacked the drawing of this legislation and then, in the next breath, he paid tribute to our legislative counsel.

Mr. Warner: Not this legislative counsel.

Mr. Sterling: I affirm his remarks in terms of that. This bill has been drafted by that very legislative counsel.

In regard to the member for Ottawa East's remarks, I wanted to indicate to him the Queen's Printer actually produces a monthly checklist to indicate the statutes which have been translated and are available to the public. At the present time, 12 acts have been published. A further five acts have actually been translated and the translators are working on another three in that particular group. Those lists are produced on a monthly basis to inform the public.

The only problem I see with identifying which RSOs are available in English and in French might be more misleading than of help because it's a continuing process. I only wish all of them were translated. If that were possible, we would certainly try to do that.

In regard to the gender in relation to all the statutes replacing "he" with "she" or "her" with "him," or whatever, doesn't really solve the problem. It only changes the problem around. I don't know whether the member is being facetious in making the suggestion or not.

Mrs. Campbell: By all means, I'm serious.

Mr. Sterling: I think, too, the idea of producing statutes is to make the general public know what the law is. That's the whole idea of this exercise. I don't condone the usage but the public still uses the masculine. That's the way it is. The change should occur in the public and not within the statute.

Mr. Warner: It's called leadership.

Mr. M. N. Davison: That's the silliest thing I've ever heard.

Mr. Sterling: The idea is for the person out in the public, the average person in Ontario, to understand what he is reading. I am told by legislative counsel that the "she" doesn't replace the "he" as a problem but if both "he" and "she" are included, then one confuses a lot of the problems included in the legislation. That is the position put forward by our experts.

[9:15]

Mrs. Campbell: Mr. Speaker, I want to draw to the attention of the parliamentary assistant as he talks about the male and the female, my understanding of the Privy Council judgement of some 50 years ago was that it determined at that stage that women were persons and that any remark concerning the male was pure obiter dictum. Could he help me?

Motion agreed to.

Ordered for third reading.

REGULATIONS REVISION ACT

Mr. Sterling, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 182, An Act to provide for the Consolidation and Revision of the Regulations.

Mr. Sterling: Mr. Speaker, my opening remarks with regard to Bill 181 would be identical for this particular bill. In other words, the changes envisaged in that particular bill relating to the recording of statutes and indices, et cetera, also relate to the regulations. I would therefore limit my opening statement to the remarks I made in the prior bill.

Mrs. Campbell: Mr. Speaker, I do have some serious concerns about this bill. I recognize again that it is somewhat routine but I would like to know from the parliamentary assistant if we are ever going to reach a stage when we really look at the regulations which we put out in this assembly. Is there not some opportunity, as we are producing these documents, to really analyse the regulations, particularly the ones relating to the ComSoc area? I am sure there are many others which are discriminatory, which are, in my view, in opposition to natural justice.

We discussed this matter with Mr. Stone at the estimates committee, but he was in no position to be of assistance to us because basically, it is a policy matter. He did say that they did look at it from the point of view of natural justice. I wonder, with all the regulations we put forth, when we have a provision in bills which permits regulations to be made by the Lieutenant Governor in Council, if we are not giving to the government of the day the opportunity to bring in regulations which do not in very real terms carry out the principle of the bill in the ComSoc bills, the family benefit legislation and others, since it is the Attorney General who brings forward these bills, why he is not more concerned with the assurance that the regulations do reflect the actual purport of the bill, the heart of the bill and that the bill is not intended as a discriminatory act. The regulations appear so often to indicate that in passing the legislation we have in fact approved regulations which, for my part, do not carry out that purpose.

At what point, if not now, can we discuss the matter of continuing these odious, in many cases obnoxious, discriminatory regulations? Even the minister talks about them as an anomaly. If he goes that far, I am safe in going where I have gone tonight.

Would the parliamentary assistant please, in addressing the matter, give us some assurance from the Attorney General that he is prepared to look at these regulations from that point of view, from the human point of view?

Mr. Warner: Mr. Speaker, I think the parliamentary assistant realizes full well that much of the power, if not most of the power, of the government rests not in the legislation itself but in the regulations which are passed unimpeded by the Legislature.

As my colleague from St. George has mentioned, we know from Community and Social Services the kinds of problems that are presented to people because of regulations. Ontario Housing Corporation is another oppressive body that through its regulations causes a great many problems for people. Those regulations we can't do anything about. This House can pass all the legislation it wants in trying to provide decent housing for people, but it can't do anything about that little elite group over there on Bloor Street who control and who dictate how the housing shall be meted out to the people of Ontario.

As you will recall, Mr. Speaker, when the committee was dealing with changes to the Landlord and Tenant Act, we attempted to get the chief dictator for Ontario Housing before the committee. He refused to appear. He didn't want to muddy the waters by coming before us because, in his own words, he really didn't know very much about housing, his field was finance, so of what purpose would it be for him to come before us? We didn't have any way of getting to him. We didn't have any way for him to appear in front of us, short of getting a Speaker's warrant, so we had to deal with the matter mostly in the abstract.

We had no way of obtaining for ourselves the exact rules under which the Ontario Housing Corporation determines how it will browbeat people. The regulations allow the government to hand out the patronage to those people they feel fit to run the various corporations, such as the Ontario Housing Corporation, who then in turn administer the show the way they want to.

Our problem is very frustrating. I look at the power section of this bill. It mentions that in the performance of their duties under this act the commissioners may omit any regulation that is obsolete. I can think of quite a few regulations which I determine to be obsolete. I wonder if the parliamentary assistant is ready to accept those suggestions from me as to which regulations are obsolete.

Mr. Sterling: That's easy to answer.

Mr. Warner: If I draw up a list of obsolete regulations, is he prepared to ask the commissioners to omit them?

Mr. Sterling: Never.

Mr. Warner: No. What we are being asked to pass tonight is an extremely powerful piece of legislation. We are being asked to again grant to the government unlimited powers with respect to regulations. It is the regulations which govern this province, make no mistake about it.

It reminds me of the battle which I went through at the time of the increase in OHIP premiums. It was a tax; we knew it was a tax and the government knew it was a tax but we had given away our powers to control it. The government knew full well it could impose a tax on the people of Ontario without bringing it before the assembly. It was an insult to parliamentary democracy, in my view; an absolute insult.

We run through the same kind of argument with regulations. I don't determine what regulations are; I don't have any vote in that, but at least I have a vote in legislation. When legislation is brought before the assembly, I can go for or against. I have no such vote in regulations.

They sit closeted somewhere dreaming up all sorts of strange and weird regulations that oftentimes have nothing to do with the ordinary lives of citizens. When I think of the citizens in my riding who are so often beset upon by the Ontaro Housing Corporation I could almost cry, because I have no control over those regulations. Who will bring Mr. Trusler under public control?

The Premier (Mr. Davis) sent a letter at one time saying he didn't think a tenant should be on the Ontario Housing Corporation because the tenant would have a vested interest. The Premier of this province does not believe tenants should sit on the board of the Ontario Housing Corporation. When the Ontario Housing Corporation spokesmen were before the committee representing the absent chairman who refused to appear they mentioned that none of the directors were tenants of Ontario Housing. They felt they could still make all the decisions that were in the best interests of those people who require the assistance of public housing. Not one single director was a tenant in Ontario housing.

Can I affect the regulations that govern that? Not one iota.

We all understand it is necessary to update the Regulations Revision Act every 10 years and so tonight we will approve it. It is with a great deal of reluctance I do that because of the immense power which is placed in the hands of the government, because of the way in which it chooses to govern this province, not by legislation but by regulation, and because it knows full well it is totally incapable of bringing forward decent legislation—I mean significant legislation. The government can give us the trifling bills which it has today and we will support them, but it is faced with a real challenge, such as trying to provide some legislative assistance to the handicapped people, and it fails and fails miserably.

Mr. Speaker: The honourable member is really going a little far afield.

[9:30]

Mr. Warner: It is possible that I have strayed from the principle of the bill.

Mr. Speaker: We are talking about consolidation and revision—nothing at all to do with legislation.

Mr. Warner: That's right. You know, Mr. Speaker, as well as I do, that if the government manages to squeeze through that terrible piece of legislation, Bill 188, they will—

Mr. Speaker: My job is to see that you are relevant.

Mr. Warner: —they will draft the regulations to which we will not agree. It is the regulations which govern our lives in this province, not the legislation. The parliamentary assistant understands that full well.

I suppose it is through the pressure of wanting an orderly way in which we will update the regulations in the province that we will support the passage of that bill. I assume that, like the statutes, we will make the regulations available to the computer system, but

I want the parliamentary assistant to answer that question.

Mr. Renwick: Mr. Speaker, I just have one question of the parliamentary assistant and again a reference to the Interpretation Act.

I don't think very many members of the House who are interested in this whole vexed problem of regulations and their promulgation and the extent, as my colleague has said, that they govern the province are aware that we have an omnibus provision in the Interpretation Act which in my opinion should not be there. We have a provision in section 22 that "The Lieutenant-Governor in Council may make regulations for the due enforcement and carrying into effect of any act of the Legislature and where there is no provision in the act, may prescribe forms and may fix fees to be charged by all officers and persons by whom anything is required to be done."

For practical purposes, we don't need in each piece of legislation the enabling clause to permit the Lieutenant Governor in Council to pass regulations because the Interpretation Act has an all-encompassing section such as that. I think it is time we got away from this residual type of power in a statute as all-embracing as the Interpretation Act. We should repeal that section, so the power to make regulations is determined by the particular statute so there is no confusion about where the source of the authority is.

I have no idea of the extent to which that is used, but it would be very surprising to me if I were to find among the Ontario regulations published in the Gazette a regulation for which there was no authority in statute but which was passed under this general omnibus provision of section 22 of the Interpretation Act. That is my major comment.

My question simply is, is the intention of the government to publish an annual volume of the regulations, or are we again only going to take this first step—have the revised regulations of Ontario 1980? Those who are interested in being able to have available to them the regulations for the next 10 years will then have to go through the laborious process of clipping them out of the back of the Ontario Gazette keeping them in some cumulative form and making up their own binders so they can find where the regulations are at the present time.

It would be a help if at least a limited number of annual volumes of the regulations were published. I don't care what format they are in but they could be published as annual volumes so that at least in the major law libraries across the province and in this assembly, in the legislative library, we have available to us in a bound form, readily available at or near the end of each year the regulations which are passed, much in the same way as we have an annual volume of the statutes. I commend that suggestion to the parliamentary assistant and would appreciate hearing what consideration he has given to it.

Mr. Roy: Just briefly, Mr. Speaker, a few comments about this Bill 182. I think Mr. Stone and Mr. Fader will understand there is nothing personal about the frustration expressed by at least one member of this Legislature about the process we are going through when we pass this type of legislation.

My colleague from St. George mentioned problems about regulation and the member for Scarborough-Ellesmere mentioned certain problems about regulations. The thing that has always struck me, I suppose, ever since the days of first-year law school and subsequently after election to this place is that with the haphazard process we have following legislation through is at best questionable, but at least there is some review and the processes are there. Unfortunately, the process for regulations, which affect far more people and which one can do something about only when somebody runs into a problem with a particular regulation, is far more difficult. It is out there. You have these reams and volumes of regulations, and nobody looks at them.

I can recall being a junior member around this place and one of the great honours that is given to you is that you are named to the regulations committee. I can recall going to the first meeting of the regulations committee and being told at that point what our terms of reference were. I think one of the things we were told is that we had to verify if the regulations came within the act. No, I guess it was not our jurisdiction to verify whether the regulations were within the four corners of the act; it was the other way around.

Mrs. Campbell: That's all you had to do.

Mr. Roy: That's all we had to do. I said, "Are we going to get some experts? Are we going to have the act?" But, no, no, we had no experts to assist us. There were 10 or 12 people seated around there. I think I and possibly my colleague from Prescott and Russell (Mr. Belanger) were the only ones with any legal experience on the committee. We were told we were going to be on the regulations committee and that we would be looking to see whether all these regulations coming forward were within the ambit or the jurisdiction of the enabling legislation, but without the benefit of experts or otherwise.

It was a real farce; it was a real charade. I said: "I am not sitting on this committee again. I am not going to go through this process." I sat there once and never went back. That was in 1971. I understand the regulations committee no longer exists and that we don't go through this any more.

Mrs. Campbell: We do have a committee that is suppossed to look into it, statutory instruments.

Mr. Roy: Yes, but as I understand it there is no more revision of regulations now than there has ever been in the past, so what we are really faced with is a situation where there is no real scrutiny of regulations. The only time there is ever any challenge is when someone, I suppose, is affected by it. If he can afford a lawyer, then you might have someone challenging the regulation.

Having said that about the regulations, that we have no way to really check whether they are valid or not, whether under the enabling statute or the Interpretation Act, here we are having to pass a bill, Bill 182, which gives certain people powers to consolidate and revise these regulations. It just seems to me this is the height of frustration. Here we are in the Legislature giving power to do this with the regulations and for another 10 years we won't know what is happening with the regulations. It is the height of frustration. I don't know how I can best describe it to you, Mr. Speaker. My vocabulary is limited when I want to express my frustration about processes. It just seems to be circuitous. One just goes around in circles. I suspect that 50 years from now we will be doing the same thing.

Are there no other jurisdictions which deal with regulations? Is there not some way to get rid of some of these regulations? Is there not somewhere where there is some policing going on, where someone is scrutinizing these regulations? Surely, Mr. Speaker, if we have any serious thoughts about giving this type of power to revise and consolidate the regulations, we should go a step further and see that the regulations are within the jurisdiction of the statute or of the Interpretation Act.

I suppose it goes well with what has taken place this evening. My God it has been an evening of—and I can see why the Attorney General is not here. That is the exciting part of the work of being parliamentary assistant. Meanwhile the Attorney General is either at the Albany Club or looking for another disaster or another headline.

Mr. Sterling: Mr. Speaker, I think it is fair to say the debate has been far-reaching. I don't know how much was going to the heart of the bill.

I would indicate it is the intent to bring regulations into the computer system.

I don't think the remarks made in relation to the control over regulations were quite fair. It is not a one-sided view; I can understand the concern of the members opposite. It is not only difficult for them as members of the Legislature to keep control of the regulations passed, but I must admit as a back-bencher on the government side it is an equally difficult task to keep control of what regulations are passed.

Mrs. Campbell: Then let's do something about it.

Mr. Sterling: I think we should perhaps do something about it. The problem is the answer. I don't want to shove off the debate totally. The standing statutory instrument committee has reported before the House and perhaps that is the better forum to discuss this on a preliminary basis. Perhaps then it could be referred to the procedural affairs committee which, I believe, will be going up to Ottawa some time in the new year to look into other areas of their legislative process.

Mrs. Campbell: I thought the Morrow committee did that years ago. How long does it take?

Mr. Sterling: At any rate, in reference to the omnibus section of the Interpretation Act, section 22, brought forward by the member for Riverdale, I think it is important to note that omnibus regulation section only covers and I quote, "regulations for the due enforcement and carrying into effect of any act of the Legislature." That particular section has not been used to any great extent.

The statutory instruments committee was specifically set up to try to control. They have their own counsel to look into the authority for making these regulations. Every member of this House—perhaps it was done before he or she was here—gave authority to the government to make regulations in certain areas. It was the wish of the Legislative Assembly to give the government that power.

[9:45]

If that is not the case, if the wish of this Legislative Assembly is to change that procedure then that should be done. I have difficulty trying to replace that system with something else. It is like a lot of things in law; they are not perfect, but maybe they are the best we can come up with. I don't know.

Those are my closing remarks on this bill, Mr. Speaker.

Motion agreed to.

Ordered for third reading.

House in committee of the whole.

COMPENSATION FOR VICTIMS OF CRIME AMENDMENT ACT

Consideration of Bill 177, An Act to amend the Compensation for Victims of Crime Act, 1971.

Mr. Deputy Chairman: There are no amendments on the Clerk's table with regard to this but I see the member for Scarborough-Ellesmere has risen.

On section 1:

Mr. Warner: It is evident to all of us through the discussion which took place that the bill's very loose language needs to be tightened up.

I am uneasy with the fact the government has decided to remove the minimum. The present legislation reads, "no fewer than five." The government wishes to remove that minimum and it may be their intention eventually to scuttle the legislation. I believe the Compensation for Victims of Crime Act is an important one; I don't like to think it will be scuttled.

I am very concerned that the government may be moving in that direction. I don't know why. I read the same report the parliamentary assistant read, noting there had been an increase in the compensation paid out and the number of cases heard. The government appeared to be making noises in the direction of actually increasing both the number of people compensated and the dollar amounts awarded. That is why I am alarmed by the removal of the minimum and by what appears to be a potential scuttling of the legislation.

We also heard the parliamentary assistant mention there had been an increase of approximately 25 per cent in the amount, yet there wasn't a coinciding increase in the number of people who would sit on the board. It makes sense to increase the number. I believe we should retain the minimum of five. I also believe we should increase the present maximum of seven. Perhaps we could start with what number the parliamentary assistant proposes to put in its place.

Mr. Sterling: Let me assure the member opposite that it is not the intention of this government to dismantle the board; that is the furthest thing from our minds.

As I indicated on the debate in second reading, we see a need to appoint five or six more at this time. The problem, as I mentioned to the Legislature at that time, is that it's difficult to know the maximum number we might need in the future, in accordance with the growth of these types of claims and hearings. It doesn't seem to have stabilized at this time. If the Legislature wishes to put a minimum on this, I don't think I have any objection at all.

Mr. Warner: I'm encouraged by that.

Mr. Deputy Chairman: Mr. Warner moves that section 1 of the bill be deleted and the following substituted therefor:

"Subsection 1 of section 3 of the Compensation for Victims of Crime Act, 1971, being chapter 51, is amended by striking out 'seven' in the fifth line and inserting in lieu thereof '13.'"

Mr. Warner: If I could speak to that, what that does is retain the minimum of five, as is presently outlined in the act, and instead of seven it allows the number of 13. That means that the government can respond, as it has said it will, to the perceived need in northern Ontario and eastern Ontario.

I must also say I wrestled with the question of regionalizing. Since it is my understanding that we have no formal definition of regions in Ontario, it was very difficult to come up with a conceptualizing of the regions. All I can do is to try and deeply impress upon the government that it should make every effort to have the various regions of Ontario represented.

I would remind the parliamentary assistant that there is a difference between northeastern and northwestern Ontario. Each of those regions should be represented, as well as eastern Ontario and central and western Ontario, as they attempt to make up the composition.

The amendment allows that instead of seven, you can now add an additional—up to 13—

Mr. Rotenberg: How many is seven from 13? Do you know?

Mr. Warner: Do you want me to do that right off? Quick, like that?

Mr. Rotenberg: You couldn't do it.

Mr. Warner: You give me the answer.

Mr. Rotenberg: You figure it out. I know it will take a little time. You can't add, I know that, so we'll give you time.

Mrs. Campbell: Really, you're obnoxious.

Mr. Warner: I don't know what caused the sudden outburst from the back row. It's nice to see I have aroused the honourable member from slumber.

Mr. Rotenberg: You take seven from 13 and you didn't know the answer.

Mr. Warner: Mr. Speaker, I think the amendment accomplishes all the principles the government outlined. What it does is put some guidelines on the very general and vague principles which were stated earlier by the parliamentary assistant.

Mrs. Campbell: I understand the purport of the amendment and I have great sympathy with it. I would like to understand, however, if it is not important that we also establish the chairmanship. Who is going to be presiding with these numbers? My understanding is that the chairman has been presiding in a great many of the cases which are of particular concern to me. I would like to understand what the honourable member would have to suggest with reference to the chairmanship, if they are going to 13 and assigning them, in essence, to the northeast and the northwest.

I have great sympathy with the amendment, but I would like clarification from somebody about who is going to guide the ship.

Mr. Warner: It's always a great question as to who's guiding the ship. In my amendment I was very strictly addressing the two-fold problem, one, of not removing the minimum, as the government was doing; and two, of almost doubling the number of members which would be allowed.

I would assume that would still come under the chairmanship of the present chairman. If that poses a practical problem in terms of work load, I'm assuming that role can be delegated to other members. I don't think there is anything in the present act that would preclude a permanent appointment of a person other than the present chairman to conduct the regular business of that committee. I could be wrong in that, but that's my reading of the legislation.

What my amendment does is simply meet the interests, as expressed by the parliamentary assistant, of reaching out to the northern and eastern portions of Ontario.

As I mentioned, since we lack a regional definition in any of our legislation in Ontario, I could not put regions into the amendment, but I will have to trust that the government will have sufficient good sense to appoint people from northeastern, northwestern and eastern Ontario to serve part-time on this board hearing the cases put before it. I know that does not answer all of the questions posed by the member for St. George, but I hope I have answered sufficient of her queries to gain her support for the amendment.

Mrs. Campbell: The reason I raised it is because while we're addressing the amendment to section 1 of the bill, there is a reference in section 3(1) of the act to the appointment of a chairman and one or more of those persons as vice-chairman.

When I expressed this before, my concern was that it seems we ought to be very sure that if a chairman is to be appointed out of these additional numbers for the northwest and northeast, that chairman would be someone who has some experience with the board because of the sophisticated quality of decisions in cases where children have been molested or abused. It was for that reason I raised the issue.

I don't think the parliamentary assistant understood what I was saying. He mentioned something about new people. I am concerned that we do have the people in place in the north, the northeast and northwest, but that the quality should be the same across the province and that whoever became a vice-chairman in those areas, for example, would be experienced enough to be able to handle that kind of case or, in the alternative, that person would have a period of being in Toronto where so much of it takes place in order to understand the ramifications of the problem. That was what I was addressing myself to.

Mr. Deputy Chairman: Does the parliamentary assistant have any further comment?

Mr. Sterling: Although we perceive a need to appoint five or six new members, I wonder if the amendment is wise, because these board members are paid on a per-diem basis; I don't know whether they will require eight, 14 or whatever, next year.

Mrs. Campbell: Then you come back to us and report.

[10:00]

Mr. Sterling: If that is a true desire, that's fine and dandy. I was thinking that when we start to look at the areas, northeast, northwest and eastern Ontario, a board is comprised of two individuals from each. If the board chooses to—and I think they should—appoint two francophones, so they can hear cases in French, or French-speaking people, then I am already to eight in terms of regional representation plus that other special need. That is the only reason I complain about the number 13. It may be necessary, because of the increased case load in Toronto itself, to appoint two more here.

I would suggest an amendment. Instead of "such members as are," as is now outlined in section 1 of the bill, place "such number of members, no fewer than five, as are." I

don't know if that meets with the approval of the other members or not.

Mr. Warner: Mr. Chairman, at this point, I take it, we just have the one amendment in front of us.

I was operating, both on the basis of the information provided by the government and a certain generosity of spirit. I was told the number of claimants had increased by approximately 25 per cent. I inflated that number to almost double. Instead of seven, it was made 13.

If you have in mind that it should be some other number, that is fine. That is why I asked you first before I placed the amendment.

I tell you quite frankly, I am not prepared to live with the vagueness of simply removing the minimum and the maximum. I think there should be the protection that there will be no fewer than five people. If there is some perceived need you can identify in some way, such that you wish to increase the number from 13 to make it 15 or 17 or 85, then fine, come back and tell us that, but I prefer not to live with the vagueness which you have presented us with today.

That is why I have suggested, first, that we retain the five which was in the original legislation, and secondly, that we increase it from seven to 13, which is almost double. I think it is a reasonable amendment.

I fully appreciate—and perhaps I appreciate a bit better now the member for St. George has spoken the second time—exactly what she is saying. I would hope if this board was sitting in northern Ontario the chairman for that sitting would be someone from northern Ontario. If, for example, it were dealing with a matter which involved native people, I would hope there was a native person sitting on that board, or a francophone, particularly if they were in northeastern Ontario, whether it was Timmins or Hearst, or Kapuskasing.

I tell you as plainly as I am able to do, I want some definition. Since I fished around and could not get that definition from the government, I have placed an amendment which provides that definition. No fewer than five, no more than 13.

If the government wishes to amend that in some way, fine, do so, but for now, I think the amendment which I have placed is perfectly reasonable and workable and I see no reason to prolong the debate. You should simply accept it.

Mrs. Campbell: Mr. Speaker, I don't want to be unfair to the parliamentary assistant but does he have the information for us as to how the government, in its great wisdom, arrived at the number seven in the first place? What reason did they have—if he knows, because he may not have been aware of it at the time?

Mr. Sterling: We are only advised by the board of their work load and of the problem of convening a panel. If it is the wish that 13 be the number, that is fine. The only thing is I don't know whether that will provide enough flexibility when they expand their operations or try to represent all areas. I don't know if you can predict that kind of thing, because those kinds of needs may crop us in the future. That is why we were trying to leave it open ended on the high end. But if there is no support for my suggestion, we will accept the other amendment.

Mr. Deputy Chairman: Is there any further discussion in regard to this proposed amendment? If not, I will put the proposal.

All those in favour of Mr. Warner's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Mr. Warner. As I take it, Mr. Chairman, we are back to the status quo. We still do not have a minimum number.

Mr. Deputy Chairman: I have placed the amendment and I was just going to place the section. Do you wish to still speak to the section?

Mr. Warner: Yes, Mr. Chairman. I have lost my amendment but I will continue the battle because I am fearful this government will scuttle a good piece of legislation.

Mr. Chairman, the government made a great fuss a few years ago about the Compensation for Victims of Crime Act, a good piece of legislation designed to assist people. Now they introduce an amendment which could, in effect, render that act meaningless if you do not have a board.

I have attempted to put some substance to it by making sure there will be a minimum number of people. The government does not know what a minimum should be and they don't know what a maximum should be. I attempted to put the numbers five and 13 in place. The government doesn't like that. What numbers would you suggest? If you don't like five, tell me what number is the minimum. If you don't like 13, tell me what number is the maximum. I will not be content until we get a minimum guarantee in this legislation and some idea as to what the maximum will be. I await the parliamentary assistant's response.

Mrs. Campbell: Mr. Chairman, prior to the parliamentary assistant's response, I wonder if

we could at least have clarification. Did I understand correctly that the parliamentary assistant was prepared to accept the retention of the minimum of five? Was that his position? I think it's important that we know that.

Mr. Sterling: Yes. It certainly is my intention to retain a minimum of five. I am quite willing to put an amendment to this section to the House to ensure that that is enshrined in the legislation.

Mr. Deputy Chairman: I can't accept the willingness to put an amendment. If we have an amendment I can put it, but if nobody puts it, then we can't very well deal with it.

Mr. Sterling: Mr. Chairman can I do it verbally, or must I give it to you in writing?

Mr. Deputy Chairman: It should be in writing, but I am sure the House will be glad to give you a moment or two to put it in writing.

Mrs. Campbell: Give him time to put it in writing.

Mr. Deputy Chairman: Mr. Sterling moves that section 1 of the bill be amended by striking out, "such members as are," and in lieu thereof, such number of members, not fewer than five, as are.

Mr. Warner: Mr. Chairman, we are back to this half a loaf is better than none routine. We have the minimum number but the government has not satisfied my question about the maximum. They apparently have absolutely no idea how many people will be required.

I am pleased to see that there is the minimum guarantee. That is helpful and perhaps means that, contrary to the fears I expressed earlier, this act will not be scuttled. The maximum being unlimited brings back the suspicion I announced earlier and which was never answered as to how many people were going to be appointed and how much money they were going to get. How much of a little boondoggle is this going to be to those defeated Tories out there—of which there are many?

The parliamentary assistant chose not to answer that earlier and I suppose he won't answer it again, but that is one of the fears that I have—not having any lid on this.

I am certainly pleased to see that we at least have the minimum in there. I support the amendment.

Motion agreed to.

Section 1, as amended, agreed to.

Sections 2 and 3 agreed to.

Bill 177, as amended, reported.

[10:15]

POWERS OF ATTORNEY ACT

Consideration of Bill 179, the Powers of Attorney Act, 1979.

Mr. Renwick: Mr. Chairman, I did have an opportunity to have a brief word with the legislative counsel, who I think is trying to catch the parliamentary assistant's eye, on what is obviously an important but extremely technical point. That is the upper case letters in the form in the specific clause in respect to which the act is being amended.

It seems quite clear to me that all we are doing is leaving the act open to misinterpretation, because the purpose of the act is to provide that a power of attorney may be granted which would extend into a period of time when the donor of the power was a person who had become legally incapable of acting. That is the major part of the bill. If we put in a form which has all of its words in that particular provision in upper case we have lef it open that unless those words are in upper case, in whatever form is used, the power would not be effected.

I say it is a technical point. I happen to think it is a valid legal objection which could be raised against the form. All I want to do is to amend the bill to provide that wording or that lettering is dropped from upper case to lower case. It surely shouldn't be very difficult, but I'm anxious to do so.

If it can be accomplished, if the parliamentary assistant is prepared to accept that, there's no problem. If not, then I will have to devise some way of moving that amendment, presumably by deleting it and reinserting it in lower case.

Mr. Sterling: Mr. Chairman, I think the only reason it was put in upper case is to draw attention to it when the form is read.

I have no objection and I believe this can be changed. I am instructed by legislative counsel it can be changed by my agreement to instruct them to change the capitals to lower case in future printings. I put it on the legislative record that I instruct them to do so.

Mr. Deputy Chairman: Are you hereby instructing them?

Mr. Sterling: That is what I am doing, Mr. Chairman.

Mr. Deputy Chairman: Does that satisfy the member for Riverdale?

Mr. Renwick: I take it when the bill comes out of the committee, before it is called for third reading it will be reprinted with that provision in lower case so the bill as passed by this assembly will have it in lower case.

Mr. Sterling: That is the understanding.

Sections 1 to 7, inclusive, agreed to.

On section 8:

Mr. Sterling: Yes, Mr. Chairman, I wasn't going to move this amendment unless this bill did go into committee because it is of such a minor nature.

Mr. Deputy Chairman: Mr. Sterling moves that clause (b) of section 8 of the bill be amended by striking out "committee" in the third and fourth lines and inserting in lieu thereof "person having the powers of a committee."

Mr. Sterling: The reason for this amendment is that under section 39 of the Mental Incompetency Act the appointment is of a person and not of a committee. It is a very technical legal point and I am advised by counsel this would be a clearer definition of what that section in the Mental Incompetency Act does.

Motion agreed to.

Section 8, as amended, agreed to.

Sections 9 to 13, inclusive, agreed to.

Bill 179, as amended, reported.

ARCHITECTS AMENDMENT ACT

Consideration of Bill 176, An Act to amend the Architects Act.

Mr. Renwick: Mr. Chairman, my concern is to understand the origin of the bill. I understand that it came from the Ontario Association of Architects. Again, I ask the parliamentary assistant, would he specify the exact nature of the operation which would require that a corporation be used to provide these architectural services outside Ontario? That is the first point.

The second point is that he referred to a corporation being used for the purpose of providing services to the Middle East, which at this juncture in history causes me a little bit of concern.

The third point is should we not be changing "Ontario" to "Canada" in this bill, so we do not open the door for the provision of services within Canada by architects through the medium of a corporation?

It is that kind of thing I would like to discuss with the parliamentary assistant. Perhaps he would respond and I could see whether or not the answers lead to other questions.

Mr. Sterling: As I indicated before, evidently the type of contract some of the offshore countries desire is a contract which is all-inclusive; it includes all services. Under the present Architects Act an Ontario architect is forbidden to provide his services through that particular corporation.

As the architects are traditionally the owners' agents in our building industry, they are interested in providing design and building services to offshore countries. Those offshore countries have expressed a desire to deal with a limited corporation, rather than individuals. That is their desire. That is the reason the architects have asked us to bring this piece of legislation forward.

We say a project "situate outside Ontario" because we really don't have any jurisdiction to control the architectural profession outside of our province. I am not sure of all of the legislation in other provincial jurisdictions, but there may be other provincial jurisdictions that have incorporating legislation for their architectural professions.

Those are basically the answers I would give to the member at this time.

Mr. Renwick: We are being asked in section 1 of the bill to amend section 5 of the Architects Act by adding a new subsection to it. Section 5(2) of the Architects Act as now in force states "That no corporation shall be granted membership in the association or be licensed to practise architecture in Ontario."

There are two prohibitions. "No corporation shall be granted membership in the association"—that is the association of architects—"or be licensed to practise architecture in Ontario."

Subsection 3 states "Subsection 2 does not prevent a member of the association from offering or providing architectural services to a corporation in order to enable the corporation to provide architectural services in respect of a work or project situate outside Ontario."

By that are we saying the corporation will be granted membership in the association? Presumably, no. Are we saying the corporation will be licensed to practise architecture in Ontario? I assume no. I say to myself, "Why do we need subsection 3?" because subsection 3 which we are being asked to introduce into the bill, "does not prevent a member of the association from offering or providing architectural services to a corporation in order to enable the corporation to provide architectural services in respect of a work or project situate outside Ontario."

All I am saying is that corporation, whatever it is and for what reason it may be, will not be practising in Ontario and is certainly not going to be a member in Ontario.

The parliamentary assistant is now nodding his head and saying, "Yes, the cor-

poration will be practising architecture in Ontario."

Mr. Sterling: No. Basically, the actual work may be done in Ontario. The member may be working for a corporation which is doing work outside of the jurisdiction. That is why it is necessary. Under the present legislation an architect is not permitted to work for a corporation which is providing architectural services.

Mr. Renwick: Where is that prohibition under the act? It is not in the act.

Mr. Sterling: Where is the prohibition in the act? I would also like to indicate, if the work is done outside of Ontario, the architect, of course, would be subject to laws of that other jurisdiction. As a matter of interest I know architects are permitted to practise under a corporate structure in Alberta.

Hon. Mr. Wells: Mr. Chairman, if there is going to be more discussion on this bill, perhaps the committee should rise and report.

Mr. Deputy Chairman: I gather it is the wish of the committee that we should not proceed this evening with Bill 176.

On motion by Hon. Mr. Wells the committee reported two bills with amendments and progress on another.

ANSWER TO QUESTION ON NOTICE PAPER AND RESPONSE TO PETITIONS

Hon. Mr. Wells: Mr. Speaker, I wish to table the answer to question 333 standing on the Notice Paper. I also wish to table the response to petitions presented to the Legislature, sessional papers 261 to 264. (See appendix, page 5180.

The House adjourned at 10:30 p.m.

APPENDIX

(See page 5179)

ANSWER TO QUESTION ON NOTICE PAPER AND RESPONSE TO PETITIONS

POLICE ACTIVITY IN LABOUR DISPUTES

333. **Mr. Mackenzie:** Would the Solicitor General inform the House as to the number and rank of OPP officers, and the number and rank of municipal police officers, and the daily costs for each group, who have been assigned to the picket line, or held in reserve near the site, on each day since the strikes started at (a) Radio Shack, Barrie; (b) Boise Cascade, Fort Frances, Kenora; (c) Butcher Engineering, Brampton; (d) Canadian Gypsum, Hagersville? (Tabled October 30, 1979.)

Hon. Mr. McMurtry: (a) Radio Shack, Barrie:

The Barrie Police Department has assigned one inspector, one sergeant and four constables for part of each day at a daily cost of $159.85.

The Ontario Provincial Police have been involved on three occasions: August 27, one corporal and five constables were deployed for half an hour; October 1, 10 constables were deployed for one and a half hours. An additional seven constables and one corporal were deployed for three quarters of an hour; October 29, two staff sergeants, seven corporals and 47 constables were deployed for one and a half hours.

The total cost of these operations was limited to regular salaries:

August 27	$ 30.63
October 1	226.00
October 29	861.68
	$1,118.31

(b) Boise Cascade, Fort Frances, Kenora:

The Fort Frances Police Department has assigned one chief of police, one deputy chief, four sergeants and 14 constables for part of each day at a daily cost of $669.

The Kenora Police Department has assigned three sergeants and eight constables for part of each day at a daily cost of $335.

The OPP has deployed the following senior personnel commensurate with requirements: one staff superintendent as co-ordinator, one inspector at Fort Frances and one sergeant at Kenora and Fort Frances. On a ratio of one corporal to 11 constables, the following deployment has been used at the scene or held in reserve:

	Out of District Personnel	District Personnel	Total
Dec. 1/78	96	45	141
Mar. 22/79 reduced to	72	32	104
Apr. 20/79 reduced to	12	32	44
June 15/79 reduced to	6	15	21
Nov. 2/79 reduced to	0	0	0

The average cost per day including salaries is $10,587; the average cost per day excluding salaries is $7,066.

(c) Butcher Engineering, Brampton:

For part of each day there was spot supervision by one sergeant and two constables of the Peel Regional Police at a daily cost of $81.

(d) Canadian Gypsum, Hagersville:

The OPP has attended at the plant entrance since September 11. From September 11 to October 15 the plant was operating one shift daily, 7 a.m. to 3 p.m. On October 16 the plant began a 24-hour, three-shift program. An average of eight OPP officers are present at 7 a.m., 3 p.m. and 11 p.m. These members include one staff superintendent, one inspector and one non-commissioned officer; the remainder are constables.

The average cost per day including salaries is $1,088; the average cost per day excluding salaries is $556.

HEALTH SERVICES

Hon. Mr. Timbrell: The Ministry of Health acknowledges receipt of petitions 261 to 264 which were presented to the Legislature on November 20, 1979.

The matters raised in the petitions are under review.

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Davison, M. N. (Hamilton Centre NDP)
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Epp, H. (Waterloo North L)
Foulds, J. F. (Port Arthur NDP)
Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)
MacBeth, J. P.; Deputy Chairman (Humber PC)
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No. 128

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Thursday, December 6, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

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LEGISLATURE OF ONTARIO

The House met at 2 p.m.

Prayers.

STATEMENT BY THE MINISTRY

PAYMENTS TO MUNICIPALITIES

Hon. Mr. Wells: Mr. Speaker, I would like to inform the House today that last Friday at the meeting of the Provincial-Municipal Liaison Committee I made a statement concerning provincial transfers to municipalities and the use of new assessment equalization factors for 1980.

As members are aware, our efforts to develop a formula for the next several years' transfers have not resulted in anything definite as yet. However, I can tell members that the draft formula we have been considering did serve as a guide in setting the global transfer package in 1980.

Total transfers to municipalities and their agencies in 1980 will be $1,997,000,000, up $194 million over current funding levels. I should emphasize that the $194 million includes $22 million for modifying the impact of the new equalization factors and, of course, significant funds for capital purposes; thus not all of the $194 million increase will be available to municipalities for operating programs.

Mr. Speaker, before indicating our ministry's unconditional grant package for 1980, I would like to mention a change we are making that will improve several grant programs.

A problem that has been brought to our attention is that of sudden population declines. A relatively minor loss in population can cause a dramatic decrease in a municipality's resource equalization grant and other entitlements without a corresponding decrease in municipal costs. For this reason we are moving to a new method of determining municipal grants population. Next year, a municipality will be able to use the greater of either of the following: (1) 1980 grants population calculation as before; (2) the average of the 1978, 1979 and 1980 grants population.

This change will assist the municipalities subject to sudden population losses without penalizing those which are gaining in population. It will apply not only to my ministry's general per capita, police per capita, density and resource equalization grants, but also to those grants of other ministries which are based on population.

Unconditional transfers from the Ministry of Intergovernmental Affairs will rise to $563 million from $510 million this year.

Details of our main grant programs for 1980 are as follows:

We are introducing two long-term changes in the resource equalization grants. Farm and residential assessment will now be weighted at 85 per cent for purposes of calculating the grant. As a result, the REG will more accurately reflect local capacities to raise revenues through property taxation. Most county and regional costs are currently shared among municipalities on the basis of weighted equalized assessment. It seems only reasonable that provincial grants designed to equalize revenues among municipalities should be calculated on the same basis. As you probably know, the Ministry of Education will also be weighting residential and farm assessment at 85 per cent for grant and apportionment purposes in 1980. District welfare administration board, and homes for the aged boards will also begin doing their apportionments on the basis of weighted equalized assessment in 1980.

Next year, a lower-tier municipality will no longer be required to apply a portion of its current year's resource equalization grant against its regional or county requisition. Instead, the province will pay this portion directly to the region or county for the credit of the lower-tier municipality. The region or county will in turn be required to reduce by this amount the regional or county requisition of the lower-tier municipality qualifying for the grant. The change will give clear recognition to the province's support of upper tier expenditures without adversely affecting any municipality.

Starting in 1980, the one-year lag between when an REG is paid and when it is converted into equalized assessment for apportionment purposes will be discontinued. The 1980 REGs will be reflected in the 1980 apportionment. This means all municipalities in

the county or region will benefit immediately from the higher grants to be paid next year.

The new 1980 standard for the resource equalization grant will be $21,200 per capita on the basis of the new equalization factors and $11,050 on the basis of the old equalization factors. The comparable standard for 1979 was $20,700 per capita using the new factors, rather than the $10,800 per capita using the old factors.

The total 1980 resource equalization grant payments will be about $144 million, up from $115 million in 1979.

General support grants: There will be no change for 1980 in the method of calculating this grant. It will continue to provide an amount equal to six per cent of the previous year's net general dollar levies to all municipalities. This grant will amount to approximately $166 million in 1980.

Special support grants for northern Ontario: Northern Ontario municipalities will continue to receive grants equal to 18 per cent of the previous year's net general dollar levy. This will represent about $46 million in grants in 1980.

Per capita grants: Other than the improved method for calculating grants populations, no change is being made in the schedules for these grants. The government has carefully considered municipal views on the rate structure of the general per capita and police per capita grants. However, we have decided to make no change but will continue to consider the suggestions being put forward.

The general per capita grant this year will total about $77 million. The police per capita grant will be about $94 million and the density grant will remain at about $6 million in 1980.

Further to my announcement last October, let me now give the members some further details on the government's plan to modify the effects of the new assessment equalization factors in the municipal sector in 1980. As members know, last July the Minister of Revenue (Mr. Maeck) published new equalization factors in the Ontario Gazette. They replaced those which had been used since 1970. These new factors reflect the changes in property values over the past decade. However, they do not represent a change in our taxation policy. Therefore, if they were used without limit there would be large, and in some cases unacceptable, shifts in the burden of property taxation among municipalities in 1980.

Let me first deal with our grants program. We have decided to limit the potential tax shifts within the resource equalization grant in two ways.

First, for the purpose of calculating the resource equalization grant, a municipality's equalized assessment will not be allowed to increase or decrease by more than 10 per cent relative to the change for the province as a whole, due to the new equalization factors.

Second, no municipality will receive less grant in 1980 than it would have received had the old factors remained in use. The calculation for the guarantee will be based on the same unweighted assessment standard as last year, adjusted for natural assessment growth.

As I mentioned in October, there will be a $10 per capita ceiling on the amount of increase of the REG that is paid to or on behalf of a lower-tier municipality over what is received in 1979.

In the apportionment area, the potential tax shifts to the sharing of county and regional costs will also be limited in two ways.

First, a municipality's equalized assessment for municipal apportionment purposes will not be allowed to increase or decrease by more than five per cent relative to its county or region as a whole due to the new equalization factors.

Second, in those instances where a municipality's share of an upper-tier gross levy would go up more than five per cent as a result of the new factors, even after the modifications I have outlined, the Ministry of Intergovernmental Affairs will provide a grant to cover the amount over five per cent.

Of course, a municipality's requisition may well go up more than five per cent over last year if the county or region is spending more or if there have been relative changes in local assessment.

Counties currently have the option, under section 507(7) of the Municipal Act, to apportion on a basis other than equalized assessment, subject of course to OMB appeal. Any of the regions which wish to be given the opportunity to do the same thing and to have this flexibility will have that opportunity starting in 1980. Both features of the apportionment plan will apply to conservation authorities and to northern social service boards. The Ministry of Education has also announced a similar program for school boards.

Merged area apportionments will continue to be calculated on the same basis as in the past. Today I will be introducing into the House amendments to the Ontario Unconditional Grants Act, 1975 to implement the 1980 resource equalization grant and apportionment changes that I have just outlined.

I wish to emphasize that these actions that are being taken to modify the tax shifts

caused by the new equalization factors are for 1980 only. We are faced with a long-term problem requiring a long-term solution; thus the changes for 1980 which I have just described should not be interpreted as a first step towards that solution. We recognize that in 1981 and future years we cannot allow major increases of burden, for instance, to fall upon rural municipalities as a result of changing equalization factors. Since new factors will again be produced next July, we must have a solution ready by that time.

We are going to make the very best use of municipal expertise as we work our way towards a solution over the next few months. We will have an announcement next July for 1981 and after at the time when the new equalization factors are again provided.

As part of our overall program, the Ministry of Intergovernmental Affairs is holding a series of technical meetings throughout the province. The first ones were held yesterday in order to assure that everyone is fully aware of the implications of the program for their municipality.

The schedule for the workshops is as follows: yesterday they were held in Chatham and Ottawa; today they are being held in London and Smiths Falls; on December 7 in Brantford and Belleville; on December 10 Thunder Bay; December 11 Sault Ste. Marie; December 12 Etobicoke and Barrie; December 13 Cambridge and Peterborough; December 14 Sudbury and Owen Sound; December 17 North Bay; and on December 18 Timmins.

All the local members of the House living in the areas in which those meetings are being held will be or have been informed of those meetings and are welcome to attend.

[2:15]

During the overall environment of restraint, Mr. Speaker, the province has again demonstrated a strong financial commitment to the support of local governments. We are transferring a considerable sum of money, representing a sizeable increase over 1979, and we are delivering on our twin commitment on the equalization factor issue, that twin commitment being that no municipality or school board will receive less grant in 1980 as a result of the new equalization factors and we have taken steps to cushion municipalities against burdensome changes in apportionment.

Mr. Speaker, I anticipate that with this information, and the information which many of my colleagues who also transfer funds to local governments will provide, the municipalities in Ontario will be able to move forward in the preparation of their estimates for 1980.

GONCOURT PRIZE

Hon. Mr. Baetz: Mr. Speaker, for the first time in its history the Goncourt prize, that is the highest award for French literature, has been presented to someone outside of France.

Antonine Maillet, a well-known Acadian writer, is the first non-French citizen to receive this honour. This, in fact, means that the Acadian language is a Canadian reality which now has international recognition. It is a great event, not only for Acadia but for the whole of Canada. Pélagie la Charette is the story of the return of Acadians from Louisiana to their homeland, a Canadian book by a Canadian author with a very special background and culture, an Acadian. We in Ontario are happy today to congratulate Antonine Maillet for the honour she has brought to Canada.

Maillet has many readers in this province and a great number of theatre goers in Toronto have had the pleasure of seeing her play, La Sagouine, performed in English by the talented Acadian actress Viola Leger.

Those who cannot read French can only hope for an early translation of her work so that they may share, along with those who have awarded her the prize, the pleasure of reading Pélagie la Charette.

Je félicite et remercie aujourd-hui l'écrivain, la femme, l'acadienne, la canadienne qui, par son oeuvre, a su tailler au Canada une place importante dans la littérature contemporaine.

Mr. Speaker, I am sure that all the members of this Legislature will wish to join with me in extending to Antonine Maillet our congratulations for this outstanding achievement.

Mr. Cassidy: J'aimerais simplement me joindre au commentaire qui vient d'être fait par le ministre en félicitant Antonine Maillet pour l'honneur qu'elle a fait au Canada en gagnant le prix Goncourt à Paris et j'espère que le gouvernement va reconnaître les droits des Franco-Ontariens dans cette province dans le même esprit que Monsieur le Ministre vient de féliciter Madame Maillet pour son honneur.

VISITOR

Mr. Speaker: I would like to draw to the attention of all honourable members the presence of a very distinguished guest in the Speaker's gallery in the person of the Honourable Tom Chambers, Minister of Housing and Public Works for the province of Alberta. Would you please welcome him?

ORAL QUESTIONS

GAS AND OIL SUPPLIES

Mr. Breithaupt: Mr. Speaker, a question for the Minister of Energy: Has the minister received the same information as the Prime Minister of Canada that there may in fact be oil supply shortages experienced in Canada this winter? Could the minister tell us if Ontario is expected to be involved in the shortages and in what areas of the province there might be a shortfall of oil supplies?

Hon. Mr. Welch: Mr. Speaker, I think the simple answer to that question is no, I have not received information similar to that received by the Prime Minister of Canada.

Mr. Breithaupt: Supplementary, Mr. Speaker: Since the Prime Minister of Canada apparently does not know how severe the shortages might be, how long they will last or where the impact would be, which follows a good tradition in that area, does the province have any supplementary provincial contingency plan to deal with shortages of oil in areas of Ontario, and will the minister tell the House what it is?

Hon. Mr. Welch: As the honourable member knows, there is emergency allocation legislation in place which is under the jurisdiction of the government of Canada. If it is necessary, or deemed necessary, to recognize matters of shortage, there is a process under that particular allocation for that particular act to be put in place. It is my understanding from some news reports which I have read that the Prime Minister of Canada has indicated he will soon have in place the membership at the Energy Supplies Allocation Board, with which board lies the responsibility of starting the process under that legislation.

Mr. Cassidy: Can the Minister of Energy say why it is he has kept on telling this Legislature that the situation, as it regards heating oil supplies in Ontario this winter will be tight but manageable, when we now have the Prime Minister of Canada making statements to the contrary, and when at the same time we also have the National Energy Board uttering very severe warnings about what the supply situation will be in this province this winter?

Hon. Mr. Welch: I think it is fair to remind the honourable member who has just raised the question that the Minister of Energy has responded honestly to the questions directed to him concerning supply, based on the best information available to him at the time the questions were directed to him.

The honourable member goes on to point out some information with respect to the National Energy Board and I should point out to him, as I pointed out to the honourable member for Carleton East (Ms. Gigantes) on Tuesday when she questioned me, that I have not yet officially received from the National Energy Board the results of their evaluation of the November 10 accumulation of data. The honourable member suggests she has shared with me some information that was provided to her last Friday that will be part of that release, but at the same time I pointed out to her I had a Telex from the secretary of the National Energy Board saying there were likely to be some changes to that information and that I would be receiving a media release with the update in so far as that information was concerned. I have now been advised I can expect to receive that next Tuesday.

Mr. Sargent: In view of the fact that last night the federal government was talking about rationing and the minister has no set plans for anything here in Ontario, does he plan to have rationing in Ontario? Is he set up for that?

Hon. Mr. Welch: The decision with respect to allocation of crude oil, the wholesale distribution with respect to petroleum products and what might happen retail, lies with the federal government under their legislation. All of these matters would be addressed if, in the opinion of those who have the responsibility, it is necessary to invoke that legislation.

Ms. Gigantes: Has the minister, since Tuesday when I provided him with the information I received on Friday, checked with the energy board to find out if these figures will be revised, or is there a simple delay at the energy board in releasing them?

Hon. Mr. Welch: It is my understanding there are some changes. I will be receiving the official documentation in connection with the November 10 accumulation of data, I was told, next Tuesday.

Mr. Peterson: Back in 1976 I believe, this government, with the support of this Legislature, gave itself the power to allocate and/or ration natural gas should that become necessary. The minister has that power and it is deemed an emergency at this time. What are his plans to participate in that type of a program for crude oil should that become necessary?

Hon. Mr. Welch: I would hardly have to remind the honourable member that Ontario is a part of Canada; if there are some prob-

lems with respect to the distribution and/or the availability of crude oil and petroleum it should be done on a national basis. We have been consulted by the federal ministry with respect to the development of the program and the plans under the federal legislation; that is where the responsibility is, and should lie.

Mr. Breithaupt: Final supplementary: If the minister is correct in reminding us that Ontario is, in fact, a part of Canada, can he advise us also if there have been any consultations directly with his ministry or between him and the federal Minister of Energy, with respect to this immediate situation?

Hon. Mr. Welch: If I've understood the question, I have not talked to the federal minister since this announcement yesterday by the Prime Minister of Canada. If that's the question, the answer is no.

Mr. Speaker: We'll allow one more supplementary as we got out of sequence there. The member for Carleton East.

Ms. Gigantes: I'd like to ask the minister if he still feels the same sense of confidence in co-operation with the NEB these days.

Mr. Breaugh: That's the National Energy Board.

Hon. Mr. Welch: I would thank the member for Oshawa for spelling it out for me. I appreciate that.

I have no reason to question the information we are provided by the National Energy Board.

WINTARIO

Mr. Breithaupt: Mr. Speaker, I have a question of the Minister of Culture and Recreation with respect to the recent press comments concerning the possible financial difficulties in which the Wintario lottery program might find itself.

Would the minister explain if Wintario is not facing bankruptcy, as his press release of December 5 says, how a senior policy adviser in the ministry has been quoted as saying that Wintario's coffers could be empty by the end of the current fiscal year if funding were to continue at its present level? If that is the case, does the ministry plan to impose a freeze on non-capital funding, just as it did on capital funding a year ago?

Hon. Mr. Baetz: I'm very pleased to be able to reply to that question, because I do wish to set straight a press story that appeared yesterday in some newspapers throughout Ontario.

I would like to assure this House that Wintario is not bankrupt. It is not even anywhere close to bankruptcy as was reported yesterday. In order to substantiate that observation, I could quote all kinds of statistics but for the purposes of brevity here, I will refer only to four key statistics.

We started this fiscal year with a balance of $59 million unspent in Wintario. Realistically, we are anticipating an income of $47 million. In other words, we will have a sum total of $106 million. This year we are planning to spend $67 million and we are planning to end the year with a balance of $39 million. That will be plenty to carry us for our non-capital program. No doubt next year our capital program will once again reopen.

There is absolutely no truth in the supposition that Wintario is on the brink of bankruptcy. I hope everyone in this House will convey that fact to the many people across this province who are now engaged in various stages of projects.

Perhaps I'll wait for a supplementary, as we can engage in this quite a bit.

Mr. Breithaupt: If that same policy adviser who was quoted earlier had commented, as he did, that Wintario revenues have dropped more than 40 per cent since 1976 and that this is a pattern in lottery development which could have been predicted, then why has the ministry had to make a major review of the entire financing structure of the lottery if so many of these things could have been predicted?

Hon. Mr. Baetz: As I reported to this House many months ago, the reason we undertook a review of the capital program in the first instance was not because we were running out of funds. The reason we reviewed the capital program was to adjust our priorities, because we felt some of the needs had been met and others were still outstanding. It was not because we were trying to avoid bankruptcy, as has been suggested.

[2:30]

In terms of phasing out the Wintario program, I would remind members that in 1978-79 Wintario's proceeds were $46 million; in 1979-80, namely this year, we are anticipating $47 million; and in 1980-81 we are anticipating not less but more, we are anticipating $50 million because of the weekly draws which will be selling 12 million tickets a month rather than nine million.

If some people over there want to interpret that as a nosedive, I don't understand the word nosedive. There is a plateau that

has been reached, and we are in very good shape.

Interjections.

Mr. Speaker: Before I recognize another honourable member for a supplementary, it just occurred to me that the initial question and its seven supplementaries, dealing with energy and directed to the Minister of Energy, took less than eight minutes. That is something all ministers might try to emulate.

Interjections.

Mr. Speaker: The member for Ottawa East.

Mr. Roy: Mr. Speaker, I have a question to my dear good friend Reuben.

Mr. Speaker: The questioners might also do likewise.

Mr. Roy: Mr. Speaker, I would like the minister to explain, when he tries to justify—

Mr. Grande: On a point of order, Mr. Speaker.

Mr. Speaker: What is your point of order, the member for Oakwood?

Mr. Grande: Mr. Speaker, I always understood that at least in the supplementaries we do rotate.

Mr. Speaker: That's right.

Interjections.

Mr. Speaker: Order. I recognized the member for Ottawa East because he was the only person standing.

Mr. Grande: I protest.

Mr. Speaker: He was. The member for Ottawa East. It is the person who catches the eye of the Speaker.

Mr. Roy: If the minister does not understand a nosedive, despite having spent some time as Minister of Energy and knowing what happened there, how does he explain the loss of revenue from $76 million in 1976 to $47 million this year? What kind of genius is he to generate that kind of increase in sales? What is he doing to stimulate the sales of Wintario? Since the minister says Wintario is not going bankrupt, where is it going when it keeps spending more than it is taking in?

Hon. Mr. Baetz: Mr. Speaker, I am glad the member for Ottawa East has taken a few minutes off from his busy law practice in Ottawa to come in here to raise a question. I am very pleased about that. I know he read last night's Ottawa Citizen as well as I did.

Interjections.

Mr. Speaker: Does the honourable minister have an answer?

Hon. Mr. Baetz: Yes, I do, Mr. Speaker. First of all, I should point out while it is correct that way back in 1976 Wintario did generate a revenue of $76 million, lotteries, as anybody will attest who knows anything about the field, like all other kinds of products that have to be marketed have their day and then decline and plateau off.

Wintario has been the most durable lottery in the world. It has maintained a solid, persistent level over the last three years, and as I indicated a moment ago we anticipate an increase with the introduction of the weekly draw.

What honourable members have also conveniently forgotten is that Wintario is not the only lottery, from time to time other lotteries are introduced. We have introduced Lottario, which is now generating some $20 million a year. It is like the Ford Motor Company: you don't keep introducing the same model year after year, you keep making some changes and introducing new models; it is a success story.

I want to assure members who would like to bring out the crying towels, including the member for Ottawa East, that all is well in Wintario and we're going to go to even greater heights.

Mr. Grande: Mr. Speaker, one of the comments the minister made in his reply to the original question was that the commitments the ministry has made were not running ahead of the money Wintario generates. If that is correct, why is it we hear from the Ministry of Culture and Recreation, from the minister's own people, that the statement he made is false?

If what the minister is saying is correct, would he right now lift the freeze he imposed on the capital grants last November?

Hon. Mr. Baetz: Mr. Speaker, I would reject the statement that somebody in my ministry has indicated my statement about commitments is false. I would like to have the member for Oakwood substantiate that; and when he does, I will be able to respond more specifically to his question.

On the second part of his question, as to when we are going to reactivate the capital program, I will reassure this House, as I have in the past, that when we have determined the right priorities and what the new criteria should be we will once again start on our capital program.

GAS AND OIL SUPPLIES

Mr. Cassidy: Mr. Speaker, I have a question of the Minister of Energy regarding what we have been learning or not learning about the oil supply situation in Ontario this winter. Does the situation not now justify the govern-

ment of the province of Ontario pressing with every means at its disposal on the federal government to go ahead and to invoke the first stage of the emergency energy allocation bill, in order to ensure the people of this province will have an adequate supply, or at least a fair distribution of short supplies, of heating oil over the coming winter?

Hon. Mr. Welch: Mr. Speaker, since my appointment as Minister of Energy, and in all my correspondence on the general subject of supply with the federal minister, I have urged on him two matters: First of all, the establishment of the membership of the Energy Supplies Allocation Board; and also to put in place the technical advisory committee, which brings together representatives of the industry who can provide some type of advisory support.

I would simply indicate I have made that request on a very persistent and regular basis; I leave it with the government of Canada to exercise their responsibilities in the general area of emergency allocations, once they deem it necessary so to do.

Mr. Cassidy: Supplementary, Mr. Speaker: We're beginning to despair if any advice from the Conservative government of this province will ever have any impact on the Conservative government of Canada, based on the minister's reply and other things we've had in the area of energy. Will the government now demand that the National Energy Board be ordered by the federal government to make available to the Legislature of this province and to the people of Ontario all the information with regard to oil supplies, and the outlook, in terms of forecasts of refinery production and of consumer demand, so that this Legislature as a whole, and the people of the province as a whole, can judge whether or not we're in for the serious shortages which now appear to be imminent?

Hon. Mr. Welch: Mr. Speaker, I would agree with the spirit of the question of the honourable member, who reminds us that in order to have some credibility in this matter it is absolutely incumbent that the people of this province, and this country, have information upon which they can come to some conclusions and act accordingly. We would not want to be contributing in any way to panic buying or to creating the very problem about which we are expressing some concern.

Having said that, I have instructed my officials that when they meet next Wednesday, December 12, with officials of the National Energy Board they have that particular matter of information sharing on their agenda. At that meeting we are going to receive an update with respect to those figures about which I was replying to earlier questions from the member for Kitchener (Mr. Breithaupt).

Mr. J. Reed: Yesterday, in estimates, when we were discussing the Energy Supplies Allocation Board, the government indicated it would take seven days to set up that board. In a news report yesterday, there was apparently some confusion over the basic rules of the game. It was suggested that it would take 60 days to put the allocation board to work and to have its work become effective. I wonder if the minister would be good enough to clarify the function of the allocation board? How soon from the time of implementation can that allocation board function?

Hon. Mr. Welch: Mr. Speaker, I think what the member is making reference to was the general presentation as to what would flow once the International Energy Agency triggered the shortfall; that was on the assumption that the Energy Supplies Allocation Board would be in place.

As I recall the presentation yesterday, there would be a period of seven days before that board could invoke or take the necessary steps with respect to stage one, which was the allocation of crude oil supplies. That was related, as I think the member will recall, to the steaming time, or the time between the ports in Venezuela and this country. That's how the seven days period was developed.

There was another period of time following the actual allocation of crude oil supply when there would be some type of allocation at the wholesale level as between companies. Finally, there were the retail implications.

The first period of time was the seven days that would elapse between the declaration, or the recognition of the emergency, and the first allocation of crude oil supply.

Ms. Gigantes: Supplementary: Since, according to the minister, he has been urging the federal government by letter and request that they should set up the infrastructure so that emergency allocations could go ahead; I would like to ask him how many times he has written to the federal Minister of Energy and how many replies he has had?

Hon. Mr. Welch: I think that's a reasonable question. The answer is I've written frequently. I have also spoken to him frequently over the telephone.

Mr. T. P. Reid: Does he say, "Bob who?"

Hon. Mr. Welch: I always identify myself on the telephone; no mysterious calls. I have some indication from him, apparently con-

firmed by a press release yesterday from the Prime Minister, that the membership of that board will be announced some time next week.

Mr. Conway: Supplementary: Since the Prime Minister of Canada indicated yesterday that there would be potential for difficulties in that part of Canada east of the Borden line, which derives its petroleum resources offshore, has the Minister of Energy undertaken any particular study to ascertain the condition with respect to supply to that part of eastern Ontario, at or east of the Borden line?

Hon. Mr. Welch: At the meeting of the provincial Ministers of Energy in Calgary a couple of months ago that was on the agenda. Indeed, as a followup of that meeting, at the staff level, we set up a task force to go into the whole question of methods of distribution and/or storage in the event of it being necessary to get Canadian oil into that part of the country.

The task force has had one meeting. Another one which was to be held early next week has been postponed until after the meeting with the National Energy Board. So consideration is being given by all the provinces to that particular question of distribution of our own oil in the eastern part of this country if it is deemed necessary.

RADIO SHACK

Mr. Cassidy: I have a question of the Minister of Labour respecting the Radio Shack case and the decision that was announced yesterday by the Ontario Labour Relations Board.

Since the labour relations board has completely vindicated the union on every charge it laid against Radio Shack in that particular case, but since the labour relations board was unable to award a first contract because it lacked that power under the act, will the government now undertake to change the law so the labour relations board can order a first contract when workers face an employer as blatantly anti-union as Radio Shack?

[2:45]

Hon. Mr. Elgie: Mr. Speaker, may I say first that beneath the introductory remarks I assume the member is also saying that the judicial process, as it exists today in our labour relations climate, allowed that sort of decision to be made, so there is a remedy for any evils, perceived or otherwise, in the industrial community.

Now that decision, as the member knows, may or may not be subject to appeal, and my role in that particular situation is to facilitate the parties in the negotiation of a contract, so I have no other comments on that particular decision.

As to the second part of the member's question, which had to do with first-contract compulsory arbitration, that is a matter the government doesn't have any immediate plans to deal with.

Mr. Cassidy: Mr. Speaker, since justice delayed is justice denied, will the minister not give us more information about the question of first-contract arbitration?

It is now not just the trade unions, the Ontario Federation of Labour or the New Democratic Party, but the minister's own labour relations board which is involved. In a very carefully considered decision, a landmark decision which is about the toughest award against a company in the history of labour relations in all of Canada, the labour relations board in effect says specifically that it has tried to elaborate the statute to give ongoing life and meaning to the Legislature's intent. However, there comes a point where the legislation ends and the board can go no further. Is it the government's intention to continue to hobble the Ontario Labour Relations Board in dealing with a case like this, where a company has so deliberately set out to violate the right of organized workers to have a contract in Ontario?

Hon. Mr. Elgie: Again, Mr. Speaker, I share the member's praise for the independence, the quality and the confidence of that board in reaching independent decisions. I can only repeat that with regard to first contract arbitrations the government has no immediate plans.

Mr. T. P. Reid: Mr. Speaker, surely the Minister of Labour would agree that in 90 per cent of the cases at least the problem of the first contract is with union security and its denial by the companies or corporations involved. Would he not agree that once the OLRB has approved the vote of over 55 per cent of the people when they want to join a union, it should then be in legislation as part of their rights; and it should be secure legislation? Does he not agree we should have legislation that provides at least a minimum of union security by law?

Hon. Mr. Elgie: Mr. Speaker, as I have said before in this House on many occasions, the issue of union security is one under consideration. The Premier (Mr. Davis) has indicated that as well. I can give no commitment as to the policy on it.

Mr. Mackenzie: Mr. Speaker, the decision of the board, as good as it is, came almost a

year after the intimidation; a year after the company was able to intimidate those employees we are getting a good decision, when it may very well be too late. Surely there should be some justice for workers in the province.

Hon. Mr. Elgie: Mr. Speaker, I can only say I feel that decision reiterates the fact there is justice for all parties in the industrial work places.

BABY DEATHS

Mr. Epp: Mr. Speaker, I have a question for the Minister of Health. Is the minister aware of a two-year study conducted by the Hospital Council of Metropolitan Toronto and the University Teaching Hospitals Association into baby deaths and children born with handicaps? Is he aware the study shows that of the 35,000 children born in Metro every year, many of the 450 deaths at birth in Metro could be saved and many of the severe handicaps about 140 children or so are born with could be avoided through better hospital facilities and better education? If so, is he prepared to provide the $537,500 requested in that study so a natal program could be undertaken in Metropolitan Toronto?

Hon. Mr. Timbrell: Mr. Speaker, it is a perinatal program, not a natal program; and yes, I am aware of it. I have had several meetings this fall with representatives of the Hospital Council of Metropolitan Toronto and the University Teaching Hospitals Association.

The honourable member would not likely be aware I have had, for a number of years, a minister's advisory committee on reproductive care and that they have only just recently produced a report in addition to the one which he mentioned, on the whole question of reproductive care in the province, not just in Metropolitan Toronto. That report has been put into very broad circulation among health-care providers—doctors, hospital administrations and so forth—asking for their comments by mid-February.

I would anticipate and hope that in the first quarter of 1980 we could make some definitive statements of policy with respect to these two documents. I am told there may even be a third; the obstetrics section of the Ontario Medical Association may themselves be working on a paper. Obviously, this is a subject of considerable interest to all of us.

I would also point out it notes in that paper great progress has been made in this province in the last 10 years, although it undoubtedly points out there is room for further improvement in the future.

PAYMENTS TO MUNICIPALITIES

Mr. Isaacs: I have a question of the Minister of Intergovernmental Affairs arising from his statement today concerning municipal finance, a statement which is a repeat of information he has given to everybody else before he gave it to the House.

Why has the minister now announced such a complex system designed to modify the impact of the new equalization factors that were announced last July, when he could have announced a solution to the long-term problems he admits exist? When he announced today that new factors will again be published next July, is he telling us the only thing he will announce next July is new factors, or will he begin to deal with the very serious problems of property taxes, market-value assessment and grants to municipalities?

Hon. Mr. Wells: The announcement I made today was the first opportunity I had to indicate to the House what we had indicated to the Provincial-Municipal Liaison Committee last week. I think it is fitting and proper it be done in the context of the introduction of a bill, an Act to amend the Ontario Unconditional Grants Act, which puts into effect modifications in the use of the new equalization factors, modifications that allow for their use for grant and apportionment purposes this year.

However, these modifications are not just being announced at this time and were not announced as a new policy last Friday to the Provincial-Municipal Liaison Committee. These are the same modifications that were announced to this House during my estimates, I think on October 12. All these events follow logically. The House is now being asked to approve a plan which I think the municipalities and people in this province agree is a reasonable plan for the year 1980 for the use of the equalization factors.

In so far as next year is concerned, as I am sure my friend is aware, now that we have unfrozen the factors the Assessment Act requires my colleage, the Minister of Revenue (Mr. Maeck), to publish new factors next July. When he publishes those new factors next July the policies and the programs will have been looked at by the Treasurer (Mr. F. S. Miller), the Minister of Revenue, the Minister of Education (Miss Stephenson), and others. It will be announced at the time the new factors are published in July how those factors will be used for grant and apportionment purposes for the year 1981 and beyond. It all fits together very

clearly. I am sure my friend can understand how this process is working.

Mr. Isaacs: I think the minister is answering yes to my question, but I want to ask a supplementary. Does the minister's announcement today mean that after deducting the modifying of the impact of the new equalization factors, and after deducting the significant funds for capital purposes, the increase in grants for municipal operating purposes for 1980 will only be of the order of seven per cent or less, instead of the nine or 10 per cent increase in costs faced by municipal government? That means property taxpayers across this province will have to pay an even greater percentage of total municipal operating costs from their property taxes.

Hon. Mr. Wells: I think my friend should wait to see what happens when municipal budgets are struck. As I indicated in the close of my statement, given the fact we are all in a period of restraint around here, a significant increase in money is being transferred to the municipalities by this province. When they figure out their detailed budgets, I think the municipalities will find the property taxpayers of this province are being assisted to a significant degree.

SNOWMOBILE TRAILS

Mr. G. E. Smith: I have a question of the Minister of Natural Resources. Is it true the Ministry of Natural Resources will be reducing its budget for snowmobile trail grooming and maintenance this year by 10 per cent?

Hon. Mr. Auld: No, the figure for this year is $500,000, as it was last year. That is the whole trails program. About $100,000 goes into cross-country skiing and the remainder goes into snowmobiling trails. Since there has been no increase in the figure from the year before and there have been some increases in grooming costs and more applications, there is concern on the part of some of the associations that our share is not as high as it should be. On the other hand, I think it is also correct to say that more of the money is now required for maintenance and very little for capital equipment, since the capital equipment, I think, had been purchased in previous years.

Mr. G. E. Smith: Supplementary: Perhaps the minister is not aware that in our area, Simcoe county, approximately 70 miles is dealt with from the Orillia area and in consultation with the ministry staff an additional 20-mile link has been constructed from the Huronia district to the Haliburton district.

Mr. Speaker: Is the minister aware?

Mr. G. E. Smith: If the minister is aware of this, would he not agree that it would seem feasible that the total budget for the Huronia district—which is now I believe $57,000, of which $13,000 goes to the Orillia snowmobile club—should be increased?

Hon. Mr. Auld: Much as I would like to say yes, I think I have to say I will look into it.

UNION GAS RATE APPLICATION

Mr. Peterson: To Reuben Baetz's successor, the Minister of Energy: I want to ask the minister about the recent application for a rate increase from Union Gas—from his friend, his kissing cousin, Darcy McKeough from Chatham—which is now before the Ontario Energy Board. I am not talking about the automatic one pegged to the price of oil, I am talking about the extra 42 cents per 1,000 cubic feet the company is asking for before the Ontario Energy Board.

Will the minister take it upon himself to do something—and I don't want the answer that it's the jurisdiction of the Ontario Energy Board and he can't do anything—and not allow this absolutely outrageous increase in the price of natural gas for the consumers of Ontario? What is he going to do when it is under his jurisdiction?

Hon. Mr. Welch: I am sure the honourable member wouldn't expect me to indicate that I would in any way interfere with a matter that presently stands before the Ontario Energy Board.

Mr. Peterson: I very much expect that the minister will do something to interfere, particularly in view of the fact that—

Mr. Speaker: Question, question.

Mr. Peterson: Does the minister agree with the fact that the increase is going to come out of the skin of the consumer and the small businessman, with virtually nothing coming out of the large business consumers? Does he agree with the philosophy espoused by his friends at Union Gas, that the small consumers should pay and subsidize big business in terms of gas prices?

Hon. Mr. Welch: Mr. Speaker, it would be far more fitting if the honourable member, rather than grandstanding in the Ontario Legislature, would appear before the Ontario Energy Board and make that case there, if he really is sincere about this.

Interjections.

Mr. Speaker: Order. There is a lot of gas around here of another variety.

TRAINING OF POLICE OFFICERS

Mr. Lupusella: I have a question of the Solicitor General. As a result of the involvement of the two police officers in the Bruce Lorenz investigation, is the minister prepared to review all the manuals used at the Ontario Police College to determine whether or not the methods and the practices taught to police officers are efficient and are within the existing law?

Hon. Mr. McMurtry: Yes, Mr. Speaker.

Mr. Lupusella: In the light of the fact that in the past few months the role of the police officers has been the cause of widespread public concern in relation to techniques they use to implement the law, and considering that the Ontario Police College is the source of the training process to which they are bound, is the minister prepared to form a task force to review the whole operation of the Ontario Police College in order to ensure that the police officers are well trained to face their challenging role in modern society?

[3:00]

Hon. Mr. McMurtry: Mr. Speaker, in my view our police officers are very well trained to face the many very difficult challenges of modern society. Obviously, we continuously review the courses that are given at the Ontario Police College, because we are aware of the fact that these challenges grow, and also vary, from year to year and decade to decade.

As an illustration of that, I announced a week or 10 days ago the formation of a task force, headed by Dr. Reva Gerstein, to review police education in the province in so far as it relates to dealing with the many minority groups and cultural traditions that are such an important part of our province.

HYDRO URANIUM CONTRACTS

Mr. Sargent: Mr. Speaker, I have a question for the Minister of Energy. It concerns the contract, the purchase and sales agreement, between Ontario Hydro and Denison Mines Limited for supply of uranium. I would like to ask the minister if he is aware that the Premier (Mr. Davis) urged the select committee to rush through a contract with Denison for $7 billion worth of uranium at a world price of $40 to $50 a pound, when he knew there was plenty available at the minehead for $1 a pound, and when a committee of this House didn't approve of it the Premier signed the contract anyway. I ask the minister, in view of the serious financial mess this province is in now, will he tell this House why he will not take steps to renegotiate this scandalous contract, in the same way as Westinghouse did in the United States to the extent of many billions of dollars? If they can do it, why can't the minister do it?

Hon. Mr. Welch: Mr. Speaker, I think it's quite unfair of the honourable member to suggest that the Premier of this province rushed that contract through the select committee. I think the timetable will indicate that the select committee—and indeed the chairman of that select committee might want to attest to this—that the contract was sent to the select committee, but I don't know that any timetable was imposed upon the committee for a detailed consideration of the contract. As far as I am concerned the time that was allocated was reasonable, and indeed the committee found some difficulty in coming to a unanimous decision with respect to the contract. The honourable member knows that. The government, following that public review, acted in what it felt was the public interest and indeed authorized the contract.

Mr. Sargent: Supplementary: We have a series of payments starting at $200 million a year. Will the minister tell the House why the Premier or the government gave Denison $368 million in front money when any other firm having a $7 billion contract would take that to the bank and do their own discount financing? I want to know how much of that $368 million the government has given them to date in front money?

Hon. Mr. Welch: Mr. Speaker, I will be glad to take that particular part of the question as notice and provide the member with the actual details. I don't carry that detail with me, and I will be very glad to get that detail for him.

Ms. Gigantes: Supplementary: Where is the information that the minister promised us two weeks ago in his energy estimates concerning a review of the uranium contract?

Hon. Mr. Welch: I am glad the honourable member has raised that. The honourable member raised that again yesterday in estimates committee, and I was reminded of the fact that the information had still not been provided. When I followed up I was told that it was in the finishing stages of preparation. I will see that it gets to the honourable member as soon as I have it.

Mr. J. Reed: Would the minister not agree, when he's considering the problem, that the advice the government got on this matter was wrong, that the judgement used by the government was wrong; and at least in this case will he acknowledge that the opposition was right?

Hon. Mr. Welch: I think, Mr. Speaker, the answer to all questions would be no.

Mr. MacDonald: Would the minister agree that if the Liberals hadn't flip-flopped and had stuck to their original position of bringing Denison under public ownership, along with the NDP, we could have avoided any ripoff that is involved in the contract?

Hon. Mr. Welch: The present Minister of Energy always has a certain amount of respect for the consistency of the official opposition in flip-flopping.

SEATON DEVELOPMENT

Mr. Dukszta: I have a question for the Minister of Housing regarding the development of the Pickering project, now called Seaton. How can the Minister of Housing justify the irrational development of Seaton, when it is clear the project will destroy 38,700 acres of prime agricultural land and undermine industrial and financial viability of both Metro Toronto and Whitby-Oshawa? In view of this very serious concern, will the minister tell us why his government continues to be committed to the development of this white elephant of Seaton? Will he, at the same time, tell us why the government refuses to scale down the development of the York-Durham sewer systems, which will only give further impetus to urban sprawl east of Toronto?

Hon. Mr. Bennett: Mr. Speaker, it is interesting that the member from the third party should raise the question again at this time since we went through it in estimates, which was only a matter of a week or two ago.

I indicated clearly at that time we were proceeding with Seaton and were now meeting with the Durham regional council in regard to the official plan, and indeed the subdivision agreements that will be necessary to get on with the development of Seaton, the new community, by the year 1982.

I indicated clearly there were some 6,800 acres involved; that some of them were allocated for residential development and others for industrial and commercial purposes; and that it was not our intention as a government to implement the entire project at one time, that it would be some time after the turn of the century before we will see Seaton as a complete community of roughly 50,000 to 70,000 people.

I indicated clearly we would be tapping into the big sewers we had allowed the region of Durham to construct under the Ontario Home Assistance Program, that we were going to try to use the capacity of that system into which the taxpayers of this province have put a great deal of money to open up lands in advance of need. One of the great cries we have heard from the opposition parties and a great number of other people is that government has not pre-invested money to open up lands in advance of need and as a result we had some part and parcel in contributing to the high inflationary factor being experienced in the price of land.

Obviously we are going to hook into that sewer system. We hope Seaton will get under way if—and I caption my remarks—if and when the region of Durham makes the necessary official plan amendments and also approves the subdivision agreements to allow for that construction.

Mr. Dukszta: Supplementary: Is the minister telling us he disagrees with what the TTC land-use team had to say with regard to the government's Go east, North Pickering and York-Durham policies? Let me quote to him from the land-use background study on transit in the 1980s: "Pursuit of existing regional and provincial policies are a waste of economic resources, a waste of tax dollars and the ways in which the policies are effected destroys the financial and economic viability of Metro Toronto."

Secondly, is the minister aware that Mayor James Potticary, of Oshawa, has already said the further development in the Seaton area will destroy the industrial viability of the Oshawa-Whitby area and they do not need any further housing east of Toronto?

Hon. Mr. Bennett: The mayor of Oshawa will have his opportunity to speak at the regional council when the plan comes up for adoption. I am not going to get into any argument with him here today. He has his opinion, he has expressed it on more than one occasion and I will allow his position to stand.

There will be other members of that regional council who, in their wisdom or otherwise, will either accept or reject the proposal of our ministry, through the Ontario Land Corporation, for the development of Seaton. As far as it relates to the city of Toronto, not everything in this province—let's get it very clear—starts and stops with this metropolitan area of Toronto. There are other parts of this province that are going to continue to develop and have an opportunity for some new economic input.

Regardless of what the city of Toronto or Metropolitan Toronto thinks, the government's policy has been to go east of Metro Toronto to create some new economic opportunities. As the member knows, the Ministry of Revenue

and the liquor warehousing agency have been moved into that area to give some impetus to the Seaton program.

Mr. Speaker: The member for Ottawa Centre.

Mr. Roy: Ottawa East. What did I do to you that you should insult me?

Hon. Mr. Baetz: You are here so seldom even the Speaker forgets who you are.

Mr. Roy: What's got you so annoyed?

ILLEGAL ACTS BY POLICE

Mr. Roy: I have a question for the Attorney General, the Solicitor General and the chief law officer of the crown. Is the minister going to make a statement at some time about his views and policy on the rule of law in this province?

One hears of police officers in a recent trial making statements about breaking the law or of the end justifying the means; and also of some crown attorneys testifying under oath they would apparently advise police officers it is okay to break the law in certain circumstances. Further, the apparent policy of his ministry is evidenced by a crown attorney who asked for a jail sentence in some circumstances involving a union leader breaking the law in an offence punishable by two years, while in the case of two police officers found guilty of breaking the law in an offence punishable by two years another crown attorney asked for an absolute discharge. Does the minister believe in a rule of law and is he going to correct that situation?

Hon. Mr. McMurtry: I've made it clear on a number of occasions, both inside and outside this House, that no individual is above the law, a police officer or otherwise. Any police officer who breaks the law will be subject to prosecution just like any other citizen. I want to repeat that again.

I'm not sure the statements that form part of the question posed by the member for Ottawa East relate to an accurate interpretation of what was said. I've ordered a transcript of the relevant evidence which I expect to have sometime today. I will be reviewing the matter and making a further statement to the House on it.

For the purpose of my friend's question at this time, I want to make it quite clear if any individual or crown attorney has suggested that police officers are above the law or can break the law—and I'm not suggesting that was said—then that is clearly wrong.

Mr. Roy: By way of supplementary, would the minister as Solicitor General, be making the same statement if the press report of the views of senior police officers is accurate, namely, that they said there are circumstances which justify the police breaking the law?

Secondly, I'd like to ask the Attorney General, when we're talking about the law being respected by the public and there being a perception that the law be evenly applied, how does he justify the differential in these circumstances, that is the approach taken by the crown in a case involving a senior labour official, while on the same day and at the same time, in a case involving guilt on the part of two police officers, the crown asked for an absolute discharge?

Hon. Mr. McMurtry: I've already indicated I will be reviewing the transcript and making a more complete statement, both as Attorney General and as Solicitor General, in relation to the matter. I'd also caution the member for Ottawa East to the effect that these cases are under appeal, both in relation to the sentence that was handed down this morning for the contempt of court and the matter relating to police officers.

[3:15]

Mr. Speaker: The Attorney General has suggested these matters may be sub judice. Since he has taken the specific question and the supplementary as notice, perhaps you could wait until the honourable member reports back to the Legislature.

Mrs. Campbell: On a point of order, could I not place my question so it could be determined whether it was—

Mr. Speaker: So long as it does not offend the sub judice rule.

Mrs. Campbell: Mr. Speaker, my question is this: Was it the Solicitor General who instructed counsel in the Barrie case, and the Attorney General who instructed counsel in the injunction case? Could we know who instructed in each of those cases? I don't think that offends any sub judice rule.

Hon. Mr. McMurtry: I must admit up to about a moment or two ago I thought the caucus of the Liberal Party was in a very happy mood. I didn't know whether it was because of the holiday season or the absence of their irascible leader. Be that as it may, I will attempt to answer the rather irascible question from the member for St. George.

Obviously, given the circumstances of the illegal strike, as the member for St. George knows I was excused from estimates yesterday morning to confer with counsel in relation to the matter that is before the Supreme Court. I was not involved in instructing counsel with respect to the Barrie matter.

BELL CANADA RATES

Mr. Swart: Mr. Speaker, I would like to put a question to the Minister of Transportation and Communications.

The minister will be aware that last Thursday the Canadian Radio-television and Telecommunications Commission ordered Bell Telephone to reduce its rates on two-party lines as a means of lowering costs to low-income earners, and he will recall that the CRTC made that order just two days after he refused in this House to make application for reduction in Bell rates and gave approval for the first steps by Bell to bring in a system which will further penalize the senior citizens, the shut-ins and low-income groups. Now Bell is proposing to meet with the CRTC to re-examine its proposal with respect to the special charges for local calls. Will the minister make representation to the commission that it is his view Bell should not proceed with that proposal?

Hon. Mr. Snow: Mr. Speaker, I would like to have a few minutes to decipher what that was all about, because most of it I didn't hear. I think I had best take that question as notice and read it in Hansard; then maybe I can understand it.

TEACHER-BOARD NEGOTIATIONS

Mr. McCaffrey: Mr. Speaker, to the Minister of Education.

In view of the continuing deterioration in the work to rule problem in North York, and more particularly the involvement today of some students in this campaign, I think in part showing their anger and frustration, will the minister reconsider her earlier position, which I respected, not to take a role, and have a comment in the next few days about this situation?

Hon. Miss Stephenson: Mr. Speaker, I think it should be reiterated that I suggested in the House the other day I was not prepared to legislate in the Brant county situation at that time, nor am I at this point, because I do believe that is a mechanism for a cop-out on the part of both parties to the negotiations. The best solution to any of these problems is a negotiated settlement.

The situation at the present time is such that I have been informed that two proposals have been made and are being discussed today by the Education Relations Commission. I anticipate we will be hearing of their deliberations in the not too distant future.

REPORTS

STANDING PROCEDURAL AFFAIRS COMMITTEE

ESTIMATES BRIEFING MATERIAL

Mr. Breaugh from the standing procedural affairs committee presented the following report:

Your committee has considered the timing of delivery to the critics of estimates briefing material. The committee is of the view that briefing material should be given to the critics as soon as it is ready, but no later than two weeks before the beginning of the ministry's estimates.

Most problems relating to delivery of briefing material seem to be adequately resolved through the office of the government House leader. The committee, therefore, sees no need for an amendment to the standing order in this matter.

Your committee has also considered the practice of members making statements to the House concerning events or persons from their constituencies. The committee recommends that members wishing to make such a statement should inform Mr. Speaker beforehand, so that he may decide whether it is appropriate for a statement to be made.

PRIVATE MEMBERS' RESOLUTIONS

Mr. Breaugh from the standing procedural affairs committee presented the following report and moved its adoption:

Your committee has reviewed the practice of amending private members' resolutions.

Private members' opportunities for presenting their views to the House for debate are very limited. In the committee's view, it is undesirable for amendments to a private member's resolution to shift the entire focus of the debate away from the original idea proposed by the mover of the resolution.

The committee, therefore, recommends that a new section be added to standing order 64, to read: No amendment may be made to a motion under this standing order.

Mr. Breaugh: As Mr. Speaker may recall, there has been some debate about this and practices of the House. We hope this would clarify the situation.

On motion by Mr. Breaugh, the debate was adjourned.

PRIVATE MEMBERS' PUBLIC BILLS

Mr. Breaugh from the standing procedural affairs committee presented the following report and moved its adoption:

Your committee has considered the matter of referring private members' public bills to committee, and recommends as follows:

That a new section be added to standing order 64, to read: Notwithstanding standing order 56(c), private members' public bills given second reading shall stand referred to the committee of the whole House, unless referred to a standing or select committee by a majority of the House.

Mr. Breaugh: Mr. Speaker, this deals with a matter that has been of concern to some of the members about the purpose, the intent and the mechanism used to block the processing of private members' bills.

On motion by Mr. Breaugh, the debate was adjourned.

STANDING RESOURCES DEVELOPMENT COMMITTEE

Mr. Villeneuve from the standing resources development committee presented the following report and moved its adoption:

Your committee begs to report the following bill, with certain amendments: Bill 24, an Act to amend the Environmental Protection Act, 1971.

Motion agreed to.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed?

So ordered.

Ordered for third reading.

Mr. Speaker: Presenting reports.

Mr. Gaunt: Mr. Speaker, I think we would prefer that the bill go to committee of the whole House.

Mr. Speaker: I put the question, and it carried.

Mr. S. Smith: I heard a "no."

Mr. Speaker: I didn't hear any "no."

Mr. S. Smith: The member for Huron-Bruce said "no."

Mr. Speaker: After it was carried.

Mr. Martel: I don't know what the haste is. If we're talking about Bill 24, it was agreed at the House leaders' meeting that that would be called Tuesday next.

I don't know what kind of nonsense is going on over there. My friend the House leader knows that agreement was reached at noon today. I'm surprised we have to listen so intently to agreements which have been made.

Hon. Mr. Wells: Mr. Speaker, on that point, I think it was agreed that Bill 24 would be called, either in its committee of the whole House stage, if that was the wish of the House, or for third reading, next Tuesday. I had assumed, as the report came in, that this House had decided the bill could proceed to third reading next Tuesday.

Mr. Martel: The government House leader knows full well that it was to be announced tonight at six o'clock if that bill were going to go to committee of the whole House or be given third reading, and that would be called next Tuesday. The government can't play that sort of game. I ask that it withdraw that effort to get it passed quickly.

Hon. Mr. Wells: That's exactly what I said. The bill would be called for committee of the whole House or be given third reading. I had assumed it was so when I heard Mr. Speaker put the question shall the bill proceed to third reading. I didn't hear any other questions or any objections in this House.

I want to make it very clear that at all meetings it was always the position of our party that the bill had had full and thorough debate in committee. We were ready to go to third reading. However, if my friends wish it to go to committee of the whole House it's okay with me.

Some hon. members: No.

Mr. Speaker: This is a routine matter; those are routine questions that are put by the chair under every circumstance of this kind. If you're going to make your little agreements behind the scenes without the knowledge of the chair, I want to tell you that you put the chair in a very invidious position. We're just doing our job around here; unless we have unanimous consent to revert so that you can choose a different course of action the decision stands. It's as simple as that.

Mr. Martel: I understand Mr. Speaker's predicament; I sympathize with the position he's in. What offends me, though, is the fact that the government House leader and representatives from the Liberal Party and our party met, as we usually do, on Thursday and drafted the order of business for next week. The order of business for Bill 24 was that it would be called next Tuesday afternoon. That's why I wasn't concerned about it. I would ask that the government House leader get his people to back off, as they say they're not going to give unanimous consent, so we can get the Speaker out of the position that we have got him in; so that he can call for unanimous consent to go back and remove that bit of nonsense.

Mr. T. P. Reid: I'd like to speak to the point of order. The other night in the House

the Minister of Consumer and Commercial Relations (Mr. Drea) had accepted an amendment from the NDP in regard to one of his bills which was voted down in the House. Then he got up and said it was intended we should pass it, and would we mind reverting by unanimous consent to do so.

We on this side went along in the spirit of co-operation to do what the majority of the House wanted. I would ask my friend across the way to accept this in the same spirit of co-operation and allow this bill to go to committee.

Hon. Mr. Wells: Mr. Speaker, I think the issue at stake here is as you have put it. You have been called upon, and we must uphold your decisions and your guidance to this House.

Interjections.

Mr. S. Smith: Just don't expect any further co-operation.

Hon. Mr. Wells: Wait a minute; listen to the whole argument.

I want the Speaker's ruling and the Speaker's control of this House to be supported by all members of this House. The Speaker is called upon to put certain questions to this House at particular times. When the report from the chairman of the committee was made the Speaker placed the question: Shall the bill be now read for a third time. I quite sympathize with Mr. Speaker. He cannot, and should not, be a party to the discussions we carry on in order to make this House work smoothly. Those discussions of course must be carried on, and we must have a degree of co-operation and confidence.

[3:30]

I want to say, Mr. Speaker, my recollection of those discussions is that we did agree we would call Bill 24 next Tuesday, and that it might be called for committee of the whole House or it might be given third reading. I recall very clearly the point of view being put forward by at least one of the other parties that perhaps there was no need for committee of the whole House and that any further debate on that bill could continue on third reading. My recollection of those meetings was that we would all go back and find out whether in fact it needed to go to committee of the whole House or if third reading would be all right.

Mr. Speaker, the bill will be called for third reading next Tuesday. I have to assume, as you have to assume when you put that question, that the question had been decided by the other parties and they had assumed that they were going to go. That is the only assumption I can go on.

Mr. Martel: Oh, come on.

Mr. Conway: Eric Winkler revisited.

Mr. Speaker: Order. Order.

The motion for adoption before the House was the reporting of Bill 24 from a committee. I put the question; the motion was received and adopted. I then put the question: "Shall the bill be ordered for third reading?" There were no audible objections and so I declared the motion carried. Since then there has been some indication that some members would prefer to have it go to the committee of the whole House.

Now, is there unanimous consent to reconsider and have it sent to the committee of the whole House?

Some hon. members: No.

Mr. Speaker: I do not hear unanimous consent. The bill will be ordered for third reading.

Hon. Mr. Wells: I just want to make it clear that I, as House leader, have no objection to it going to committee of the whole House.

Mr. Cassidy: But you can't make agreements stick.

Mr. Bolan: We will have them here until the end of January.

Mr. MacDonald: Ayatollah.

Mr. Eaton: You wouldn't even give the Minister of the Environment (Mr. Parrott) 10 minutes the other night.

Mr. Speaker: Order.

Hon. Mr. Wells: Having put the position, which I thought was quite clear, I just want it clearly understood by all members of the House that the government has no objection to the bill going to committee of the whole House next Tuesday.

Mr. Speaker: For the third time, do we have unanimous consent?

Some hon. members: No.

Mr. Speaker: I heard a no. It stands as ordered for third reading.

STANDING SOCIAL DEVELOPMENT COMMITTEE

Mr. Gaunt from the standing social development committee reported the following resolutions:

That supply in the following amounts and to defray the expenses of the Ministry of Colleges and Universities be granted to Her Majesty for the fiscal year ending March 31, 1980:

Ministry administration program, $5,884,000; university support program, $886,510,-

000; college and adult education support program, $446,682,000; student affairs program, $90,898,000; and

That supply in the following supplementary amount and to defray the expenses of the Ministry of Colleges and Universities be granted to Her Majesty for the fiscal year ending March 31, 1980:

College and adult education support program, $8,023,400.

STANDING GENERAL GOVERNMENT

Mr. McCaffrey from the standing general government committee reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Energy be granted to Her Majesty for the fiscal year ending March 31, 1980:

Ministry administration program, $1,484,000; conventional energy program, $2,263,000; renewable energy program, $2,590,000; energy conservation program, $7,187,000; regulatory affairs program, $1,331,000; energy supply program, $550,000.

MOTIONS

COMMITTEE MEETINGS

Hon. Mr. Wells moved that, notwithstanding any order of the House, the standing resources development committee may meet tonight and that the House may meet to debate a matter in the resources policy field.

Motion agreed to.

Mr. Renwick: A point of order, Mr. Speaker: My point of order is a question. In the event there is an emergency debate this afternoon under standing order 34, when would it be in order to move that the standing administration of justice committee not sit this afternoon?

Mr. Speaker: Right now.

Mr. Renwick: I would therefore move that in the event there is an emergency debate this afternoon under rule 34 of this House, that the standing administration of justice committee do not sit this afternoon.

Mr. Breithaupt: In speaking to that, Mr. Speaker, could we inquire, since apparently this matter to be debated deals with energy matters, why it would be that the standing administration of justice committee could not get on with its separate work?

Mr. Speaker: The honourable, the government House leader is responsible for ordering the business of the House.

Hon. Mr. Wells: First of all, Mr. Speaker, I would submit this motion is out of order. It is the responsibility of the government House leader to move the motions concerning the business of the House.

Mr. Renwick: Nonsense, it's in order.

Hon. Mr. Wells: I would submit this was not agreed to, and that notwithstanding—

Interjections.

Mr. Martel: Say that again?

Hon. Mr. Wells: I think you get a little excited. We are getting towards the end of the session.

Mr. Martel: With reason, near the end of the session or no.

Interjections.

Hon. Mr. Wells: I submit to members, if there is to be fault on the last little altercation it rests on all of us.

Interjections.

Mr. Speaker: There is no motion before the House so therefore there can be no debate.

Mr. Renwick: Mr. Speaker, I did move.

Mr. Speaker: You don't have the right to move it, with all due respect. You don't have the right to make the motion. It may have had merit, but that is the responsibility of someone else.

Mr. Renwick: With all due respect—

Interjections.

Mr. Speaker: Order.

Mr. Renwick: Mr. Speaker, under what rule of the House do I not have the authority to make that motion?

Mr. Speaker: Because the ordering of the business of the House is the responsibility of the government House leader. Do you want to challenge it? Order.

Mr. Cassidy: They can't do it, Mr. Speaker.

Mr. Foulds: Mr. Speaker, I have a different point of order to raise, regarding the same matter. I would ask your interpretation, then, of rule 34, which says if the House determines by its vote to set aside the normal business of the House to discuss a matter of urgent importance. What is setting aside the business of the House? Surely setting aside the business of the House is not only the Legislature but its committees as well.

Mr. Speaker: No; that logic is really convoluted.

INTRODUCTION OF BILLS

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

Hon. Mr. Wells moved first reading of Bill 194, An Act to amend the Ontario Unconditional Grants, Act, 1975.

Mr. Speaker: Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

REGIONAL MUNICIPALITY OF PEEL AMENDMENT ACT

Hon. Mr. Wells moved first reading of Bill 195, An Act to amend the Regional Municipality of Peel Act, 1973.

Mr. Speaker: Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

SARNIA PORTABLE EQUIPMENT RENTALS LIMITED ACT

Mr. Blundy moved first reading of Bill Pr31, An Act to revive Sarnia Portable Equipment Rentals Limited.

Motion agreed to.

CROWN EMPLOYEES COLLECTIVE BARGAINING AMENDMENT ACT

Mr. Mackenzie moved first reading of Bill 196, An Act to amend the Crown Employees Collective Bargaining Act, 1972.

Motion agreed to.

Mr. Mackenzie: Mr. Speaker, the purpose of this bill is to clarify that the Ontario Public Service Labour Relations Tribunal has exclusive jurisdiction to determine units of employees which are appropriate for collective bargaining purposes under the act.

The bill also authorizes the tribunal to make determinations affecting collective bargaining units established by the regulations when the act comes into force. Therefore, this bill will remove the present jurisdiction of the government and transfer it to the Ontario Public Service Labour Relations Tribunal.

PUBLIC HOSPITALS AMENDMENT ACT

Mr. Breaugh moved first reading of Bill 197, An Act to amend the Public Hospitals Act.

Motion agreed to.

Mr. Breaugh: Mr. Speaker, the purpose of the bill is to provide for the establishment of a conciliation board to mediate disputes between public hospitals and the Minister of Health (Mr. Timbrell) concerning matters related to the government, management, operation or use of a hospital, or the payment of grants to a hospital. If the conciliation board is unable to affect agreement between the parties it shall report its recommendations to the minister and the public hospital that is a party to the dispute, and the conciliation board's report shall then be made public.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Mr. Sterling moved first reading of Bill 198, An Act to amend the Legislative Assembly Act.

Motion agreed to.

Mr. Sterling: Mr. Speaker, since being elected to this Legislative Assembly I have been called many things, including an MLA and MPP. The purpose of this bill is to have MPP recognized in the statute as the official designation for members of this Legislature. The bill will not only confirm the historical basis of this designation but it will also provide some consistency.

MOTION TO SUSPEND NORMAL BUSINESS

Ms. Gigantes moved that the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely the impending crisis in the availability of energy supplies, particularly home heating oil.

Mr. Speaker: Under standing order number 34, I did receive proper notice of intent to introduce this motion. I will listen to the reasons why the honourable member thinks the ordinary business of the House should be set aside. I will hear her for up to five minutes.

Ms. Gigantes: Thank you, Mr. Speaker. The matter I propose for discussion is a genuine emergency, calling for immediate and urgent consideration by this assembly. I am seeking to have the regular business of the House put aside so we can have an emergency debate concerning the shortage of heating oil supplies which will affect residents of Ontario this winter.

As you are aware, Mr. Speaker, the Prime Minister confirmed this emergency yesterday when he stated in the federal parliament that figures available through the National Energy Board indicate there will be a heating oil shortage in eastern Canada over the next few months. A portion of these National Energy Board figures would normally have been released to the public last Friday, but the NEB called my office this morning to inform me that even this limited information would not

be unveiled to the public until next Tuesday, a full 11 days later than expected. Supplies are no longer tight but manageable.

Mr. Speaker, last Friday I went to the offices of the NEB in Ottawa and was given information about oil inventories and production to the end of October. Because of my longstanding efforts to secure the fullest possible public disclosure of the facts about supplies of oil to Ontario, I succeeded in having the NEB produce these figures for the east and west regions of Canada. Formerly, they had been made available to the public only on a Canada total basis. I should note, however, that only the big oil companies and high government officials are receiving the NEB monthly regional surveys of the five Canadian regions and the associated regional forecast of demand for oil products.

Mr. Speaker, I feel it's the duty of this Legislature to seek and get every ounce of information which will enable us to let the public of Ontario know the full facts of the situation and enable us to provide informed proposals about the most appropriate measures the government of Ontario should be taking.

The current situation is one of apprehensive confusion, compounded by a Telex from which the Minister of Energy (Mr. Welch) quoted Tuesday, December 4, in this House. The minister received the Telex from the NEB on Tuesday morning and he referred to it in the following words:

"I have a Telex which I have just received before coming into the House which would indicate that I will have an update on that particular matter.

"I am told also that the media release will again stress the obvious need to curb consumption—a point which the honourable member has shared during his question—conservation of our resources, whatever the results of that particular survey are and will properly caution against alarm. That has always been my concern in responding to questions—wanting to share information which the honourable members are entitled to have without creating the problem itself."

Mr. Speaker, I don't think any reasonable person can feel the slightest inhibition today about the fullest possible sharing of information concerning supplies of heating oil for Ontario residents. Not only should we know what is happening with supplies, we should also know the best estimates of demand. We should have a complete and clear picture of how the Ontario government intends to deal with the situation. In other words, exactly what measures it proposes in order to protect Ontario residents as far as humanly possible.

I hope the minister will agree that these reasons constitute sufficient grounds for permitting an emergency debate on this question. Thank you.

Mr. S. Smith: Mr. Speaker, the news which the Prime Minister gave the country in terms of the impending oil shortage should have come as no surprise to people who have been following this matter closely. It did not come as any surprise to the member for Halton-Burlington (Mr. J. Reed) who yesterday, before the Prime Minister's announcement, made it very clear that in the view of this Liberal opposition supplies were going to be short and an emergency was just around the corner. We endorse the statement by the member for Carleton East with regard to the need to have the fullest possible information available.

I am particularly concerned when I hear the Minister of Energy continually say all matters concerning allocation—all emergency matters dealing with the shortage—are in the federal realm. Yes, indeed, there is a bill in the federal realm and yes, indeed, there are federal measures to be taken, but I would hate to think that the province of Ontario would give up its own right to decide within the province certain priorities and certain measures which might have to be taken in the event of a shortfall in heating oil, an event which now seems inevitable.

It is interesting that over the last several years we have had a government in Ontario which has consistently refused to deal with the question of supply. They have been willing to stand in front of Mr. Lougheed's hotel room, playing the violin and holding the tin cup and saying: "Remember, Mr. Lougheed, when we were young and vigorous, how we used to help you? Shouldn't you be doing something for us now in our doddering old age?" and things of that kind. But we have heard nothing with regard to supply.

That is quite shocking when you consider that in this province we have wood from which methanol can be made; we have all kinds of brushland that could be used for that purpose. We have garbage—for which we are seeking various sites on agricultural land—which could be utilized for making methanol. We have various crops which could be used for the purpose. We have peat resources.

We have a province blessed with alternatives, in other words: substitutes for oil. But do we have a government that has been interested in any such substitution? Far from it. All they have asked for is to have some type of price break on oil, a reasonable

enough request. But what about the plans to substitute for oil?

We have nuclear energy; we are told that might be a great substitute. Sure, there will be some people who will plug in an electric heater; there will be some, but we have far more than enough electricity to handle that. Yet all we have heard are more and more plans, in the billions, for more electrical generation capacity and nothing for the substitution of oil—the product which we really have to worry about and for which we could substitute.

What about natural gas? I was in a small business in Hamilton today. They wanted to convert from oil to natural gas and were willing to buy a new furnace—not just one of those burners that apparently Mr. McKeough has been unable to get a supply of. They were willing to buy a furnace—and he has plenty of those—and they were told: "Don't even leave us your name. We don't want to hear about it until the end of January because we are swamped with people wanting to convert and we don't even want to add you to the list."

What has this government done to make sure we get a massive switching into natural gas? What has it done to make sure the people and the machines will be available to convert to natural gas, to make sure the communities of Ontario like Madoc and Bancroft—the reasonable-sized communities—would be served by natural gas?

We have been asking for this time and time again and we have had a government that sits on its hands basically, not understanding the problems of the late 1970s and the early 1980s, and uses the phoney solutions that may have worked in the 1940s and 1950s.

Hon. Mr. Gregory: Hindsight is great.

Mr. J. Reed: We told you four years ago.

Mr. S. Smith: The member for Mississauga East says he doesn't remember. Mr. Speaker, do you remember when in 1977 I said there should be a mandatory home-insulation program so we would stop wasting the precious oil resources to heat the air above our houses? The Premier said, "The government has no place in the attics of the nation." It was very funny; very amusing indeed. He's always very good with a quip of this kind and that's just dandy, it may even have won him a few votes, but it has caused terrible problems in Ontario and those chickens are coming home to roost now.

Mr. Speaker: The honourable member's time has expired.

Hon. Mr. Welch: Mr. Speaker, the motion before the House is for setting aside the orders of the day, to use the wording, in order to discuss the impending crisis in the availability of energy supplies, particularly home heating oil.

I know all members of this Legislature want to approach a subject of this importance with a high degree of responsibility. Certainly, we on this side of the House would have no objection in a fairly detailed discussion with respect to this motion. However, I think it's important to put on record two or three things with respect to the motion itself before final determination is made as to whether or not orders of the day be set aside for the balance of the day to engage in this debate.

We take the position, on the basis of information we are prepared to share, that there is no reason at this time to assume a crisis. We draw attention to the wording of the resolution which has that sweeping phrase, "energy supplies." The honourable member who proposed that knows that includes petroleum products, natural gas, electricity and coal. To add to what I've already said, certainly we've had no indication there is this impending crisis with respect to all of our energy supplies. I think it's important to put this on the record.

Surely the question we are invited to consider by virtue of this motion is one of a tight supply situation with respect to crude oil and petroleum products. We do need some understanding as to what the debate will be if it proceeds.

I want to say to the honourable member who proposed this motion and to those who have spoken in accordance with the rules in order that we might consider whether or not we would carry on for the balance of the afternoon that I want to assure the House that assuming no abnormalities in crude supply or refinery operations or weather conditions occur, I have been assured by the petroleum industry that heating oil supplies in Ontario will be adequate to meet the demand for this current heating season. I think it is important to recognize that.

Some reference has been made to a statement attributed to the Prime Minister of Canada. I would draw the honourable member's attention to a statement made before the House of Commons natural resources committee today by the federal Minister of Energy, Mines and Resources. He emphasizes he has not seen the final report to which the honourable member makes reference.

I want to talk about that report in just a moment because I think it's very important

that she understand this. I have no reason to believe that she doesn't honestly feel that she has a report of a situation in this country as of the end of October. We were advised an hour and a half ago the information she was given on Friday in Ottawa represented the situation as of the end of September. In fact, she does not have the information she alleges she has and to which she attaches her news release. Even the federal minister hasn't seen that documentation.

May I now make a correction. The press release I indicated I would have by next Tuesday, to which would be attached some evaluation of the situation from the collection of data as of November 10, is to be made available tomorrow. It is information we obtained as part of the same telephone conversation—when we couldn't understand how the member for Carleton East got access to information which even the federal minister says before the House of Commons he hasn't seen.

Because the federal minister must speak to the question of the so-called impending crisis, we would go back to what the federal minister says when he reports he hasn't seen the final report. He went on to say while the supply/demand situation has tightened in recent weeks, there is no imminent shortage of heating oil. I think the people of Ontario are entitled to have that particular assurance.

[4:00]

As far as politics is concerned, it might be a very interesting exercise to have some doom and gloom predictions. But we don't do the people of this province nor the people of Canada any service by sharing information on which there doesn't seem to be any foundation.

I look forward to your ruling, Mr. Speaker, and perhaps the opportunity to expand on these remarks if it is your wish that the debate continue.

Mr. Speaker: The question for the chair to decide is whether or not the motion constitutes a matter of urgent public importance.

I have looked at all the criteria set out in standing order 34 and I rule the motion does meet the requirements of that standing order.

However, the question now before the House is shall the debate proceed?

Motion agreed to.

AVAILABILITY OF ENERGY SUPPLIES

Ms. Gigantes: I think I will begin, in the light of the minister's comments just a few minutes ago, with a story for you, Mr. Speaker. I will tell you how I came by these famous figures which the minister doesn't believe to be of any importance and which he chooses to dismiss, assuring us once again that talk of heating oil shortages in Ontario is merely gloom and doom and that as far as anybody can tell, if imports are maintained, if refineries work perfectly and if all other things are equal in the eyes of God we will have sufficient heating oil to heat the homes and businesses of Ontario this winter.

The story I am going to tell you, Mr. Speaker, begins in June of this year when I learned from a press report of the existence of the National Energy Board survey of supplies, inventories, production runs and forecasts of demand, gathered on a monthly basis by the National Energy Board. I learned of that survey and called the NEB, asking for the material from that survey. I was put off. I turned to the Ministry of Energy for assistance and they sent me material broken down on a regional basis, the kind of material I felt was important for legislators of this province—and all provinces —and the federal government to have available in order to discuss the energy situation in a reasonable manner.

Those figures were for May and I asked then to receive these figures on the regular monthly basis on which they are produced. The NEB gathers them from the oil companies under waiver of the Combines Investigation Act, I might point out. I was told no, these are federal figures and are gathered from the oil companies on the understanding that they will not be made public so competitors will not have this information about forecasts and supplies and so on. I sought in vain to obtain further information after the month of May.

I kept up my quest, continuing through the summer months and through the fall, calling home heating oil distributors around this province and asking them whether they knew if they would have assured sources of supply during the winter. They knew as little as I did and certainly as little as the Minister of Energy was willing to release.

After certain months of harassing, and indeed with some help from officials of the Ministry of Energy in my quest, I finally got officials of the National Energy Board to agree to release to me and to the public figures on a monthly basis broken down by two regions, eastern Canada and western Canada, not five regions and not with forecast demands for five regions.

This is inadequate information and I told the officials at the National Energy Board with whom I discussed the matter it was not

the full accounting of information I wished to have and thought the public should have. But I obeyed the request of the director of the oil policy branch of the National Energy Board that I appear in person to receive this material. Evidently it is considered so important and so subject to misinterpretation by dolts like me—stupid, uninformed public persons such as myself—that I had to turn up in person to receive presumably not only the information but a little lecture on how it should be used.

However, when I arrived at the office of the director last Friday, at the time he told me to arrive, I happened by chance to overhear, and could not have avoided overhearing a conversation going on in his inner office. He was discussing with a colleague how they were not able to put out last Friday the press release with the attached figures which they had expected and which they had told people they would be putting out.

Because I had overheard part of this conversation, I suspect the director felt under some obligation to give me something. I would have probably been exceedingly irritable had he not, and I guess he assumed that to be the case.

He gave me figures showing "Review of year to end of October; feed stock receipts; refinery production; imports; exports; interregional transfers; pumpable stock"—that means installations with finished and blendable products and the full line of oil products.

I was asked to keep these figures confidential because he said they were reviewing their press release and they would be putting it out this Monday past. I called on Monday and asked if the press release was ready. He said it might be Tuesday, but he expected it would be Monday. It was not ready for release on Monday. I called again on Tuesday, when I had been informed it would be released. On Tuesday they said it wasn't ready to go, but they expected it would be on Thursday. On Wednesday, my office received a telephone call to say it would be Thursday p.m., presumably after the question period. Today, this morning, I had a call from the office of the director informing me the material would be released next Tuesday.

Enough is enough, Mr. Speaker.

In any case, this material was provided to the Minister of Energy. He may or may not have already had it when I gave it to him on Tuesday last. I did not raise the matter in the House because I felt under a strange kind of gentleman's agreement, but I'm a person who is willing to stretch a gentleman's agreement only so far.

We switched information. I gave him these figures; he gave me the Telex message to which I referred earlier. The Telex, in terms of information, is self-contradictory in nature. It does not jibe with the information I was given on the previous Friday by NEB officials. The minister knows very well what these figures are because I personally gave him a copy on Tuesday. It says, "Review of year to end of October."

Hon. Mr. Welch: Does it not say end of September?

Ms. Gigantes: Not end of September.

It indicates very clearly there is a downtrend in our stocks of heating oil compared to last year's. In order to understand what that means for this province, we had to take into account the Prime Minister's statement yesterday there would be heating oil shortages of some kind in the east, whatever the east is supposed to mean. We also have to try to judge whether a downturn in the inventories, such as we see, compared to last year at the same time indicates we are going to head into a fuel oil shortage.

What we are asking for is information. Is it too much to ask in 1979 that the Canadian public and the Ontario public get the fullest of information? Is it not time the Minister of Energy said at least to the provincial government we must be provided with full information and to the fullest extent possible? Is it not time this Minister of Energy undertook those conservation programs which would make sure we would meet the objective of dropping consumption?

We are going to have to conserve. We are going to have to become energy efficient in this province, as sure as sure. If it's not this winter, it's going to be next winter or the winter after that that we'll run out of heating oil.

For years this minister and this government have done nothing to provide financial support, through government initiatives, for people in Ontario—both residents in family situations and businesses—who very much wish to undertake conservation programs. These people have demonstrated, through the Canadian Home Insulation Program, that even with a miserly $350 per family for insulation 114,000 families have undertaken home insulation over the last eight months—from April until now.

Hon. Mr. Welch: Where's your evidence of the impending crisis? That is what the debate is about.

Ms. Gigantes: We know that Ontarians will pick up programs if they're offered programs. We know they will help contribute to con-

servation and energy efficiency if they get some financial support. It's time now for the system of loans, on an energy payback basis, that this government has refused to bring forward. I think it's time that the Minister of Energy and the government of Ontario took this problem seriously.

Mr. Deputy Speaker: The member's time has expired.

Ms. Gigantes: If he wants to scream about hysteria he's whistling in the wind. You ask the Prime Minister what he was talking about.

Mr. Deputy Speaker: Order. The member for Durham West.

Mr. Ashe: When we have this kind of a motion—

Interjections.

Mr. Ashe: Mr. Speaker, can you get a little order from the big fellow over there?

Mr. Deputy Speaker: Order. The member for Durham West has the floor.

Mr. Ashe: I'm not surprised, Mr. Speaker, at the intent of what we're discussing this afternoon coming from the party and coming from the member it does. They seem to thrive on creating scare tactics as being a means to an end.

We all know the rise and fall of the socialist philosophy in Canada. We've been going through it. We've seen them try the scare tactics relating to the health-care system in Ontario—world renowned as being one of the best in the world. We now see them starting on some other course of action, namely energy.

When I read this notice, as has already been drawn to the attention of the honourable members by the Minister of Energy and Deputy Premier, the wording is just appalling—"impending crisis." There has never been any suggestion that a crisis, if and when it ever came, was around the corner, which this implies.

I will be very interested, too, when the select committee on Ontario Hydro affairs reconvenes. When the member for Carleton East brings up the issue of the overabundance of our electrical energy, as do her colleagues from time to time, draw her attention to this item we're debating today: the availability of energy supplies. It's a very poor choice of words but I'm sure we'll be drawing it to the member's attention at the appropriate time.

It is amazing when these kind of tactics are used for political gain, to try to bring the province to a crisis situation. We have lots of evidence of what has happened in other jurisdictions with a similar problem.

Go back and look at the situation in California not that many months ago. The record proves that a good part of their gasoline supply and demand problem was the fact that because of the crisis situation imposed upon them or suggested to them, everyone was trying to drive on the top part of his tank. Pretty well every day of the week that was the difference between being able to cover the supply and demand scenario. People weren't driving traditionally. They drove on three quarters of their tank or seven eighths of their tank of gas; they drove on the top third and the top half. That is exactly what this particular situation is trying to imply.

[4:15]

We have also an indication, Mr. Speaker, of what a little knowledge is and how dangerous it is. I think it has been suggested to the member for Carleton East and she has been cautioned, not only by this government but also by the National Energy Board, that sometimes a little bit of knowledge can be damaging and dangerous. We have one more indication of that today.

For example, it was suggested in the press conference I had the pleasure to attend a little earlier on, that a million cubic centimetres of middle distillates probably was smuggled or slithered across the border. That is really the basis of our problem. If we had that million cubic centimetres here in Canada, we probably wouldn't have a problem.

Mr. Cassidy: What are you talking about, cubic centimetres?

Mr. Ashe: Pardon me, it is not cubic centimetres, it is cubic metres, I apologize. At least I err on the right side.

Really, Mr. Speaker, the number is irrelevant. The situation is the million cubic metres in question was not intended as part of the Canadian supply. It never was and never will be. It is strictly a matter of a refiner on our eastern coast using its refinery capacity to, in effect, be a jobber on behalf of another country. They processed it and it went back out on its natural course. To draw to the attention of the press and those others present that this was possibly our problem I really find very, very difficult to accept.

Mr. Speaker, the Ministry of Energy and this government have been putting forth their case regularly to the government of Canada as to our concerns and desire to be involved and up to date on the information available. Speakers following me will put that on the record in due course.

Mr. Haggerty: You are getting no pipeline to Ottawa; you had it when we had Trudeau.

Mr. Ashe: Is that right?

One of the other concerns I have about this suggestion of an impending crisis is that people do have a tendency, if they get overwrought and distraught, to hoard. I use the example of the problem in supply and demand, but beyond that—and the member for Carleton East should be very concerned about this one—there is safety. She has brought up very regularly concerns about safety vis-à-vis the nuclear industry and I have some concerns with this one.

We will put people into the situation where they feel they are going to have to go out and hoard. They won't just hoard supplies of furnace oil, they will try to hoard supplies of gasoline. We know quite often inappropriate containers end up being used and this in itself is a safety hazard. I realize the argument of safety is only appropriate when it is in the case the members opposite are trying to make.

Another thing I find very difficult to understand, Mr. Speaker, is as late or as early as yesterday, depending on how you perceive it, the honourable member—

Mr. S. Smith: What about the Prime Minister's statement?

Mr. Ashe: Did the Prime Minister suggest we go out and hoard in any kind of container possible? He said there might be a shortage in eastern Canada. I would suggest, Mr. Speaker, the honourable member should think about what she said yesterday and what she is saying today, in terms of our position as a responsible province, our position as a responsible government, in the supply/demand situation that may come about as a crisis at some point—and I say may—vis-à-vis our responsibilities in the western world.

Yesterday the honourable member would have us believe Ontario, let alone Canada, should put up a Berlin wall around us and not worry about the problems of our friends and neighbours. I would suggest that is really what is now on the other side of the issue here—even in drawing attention to an incorrect figure of that one million cubic metres that didn't slip unobtrusively south of the border. Again, it just depends what kind of an argument you want to make and in what direction you want to go.

I won't get into any new issues. I just want to assure the House, as has already been indicated and I am sure will be indicated from this side many times as the afternoon goes on, we do not have an impending crisis. We do not have a shortage of energy supply. We may have a shortage of some energy supplies. I know we in this House are all interested in faith and hope. With the faith and hope of the other two parties, I hope we don't get down on our knees and beg for the crisis being looked for by the third party to help draw the attention of the public of Ontario and of Canada to their declining star.

Mr. J. Reed: Mr. Speaker, I suggest the government is in the barrel and not the oil. To listen to the debate, there has been a note of crisis on the part of the NDP. There has been this persistent failure to acknowledge any kind of move toward the future on the part of the government. It is this kind of thing that is so typical in the way this government behaves on almost every issue of the day.

In this case, more urgently than any other, if we hang around and wait until we can define the word "crisis," however that definition may evolve in the mind of the minister or whatever, then—

Hon. Mr. Welch: This is an emergency debate.

Mr. J. Reed: Of course it is an emergency debate, because there is a time line involved in ensuring supply for the people of this province.

Hon. Mr. Welch: Let's talk about it.

Mr. J. Reed: That's exactly what I am talking about.

Hon. Mr. Welch: Give us the evidence.

Mr. J. Reed: I have to point out to the minister, I am talking about today because today is a day more than yesterday and the day before tomorrow and if we wait until tomorrow whenever that thing arises, we are going to be in deep trouble.

Hon. Mr. Welch: Today is urgent. Let's talk about today's emergency.

Mr. J. Reed: The minister should know it.

Mr. S. Smith: What are you going to do, set up a royal commission like you did on the declining enrolment?

Mr. J. Reed: On October 11 this year the leader of the third party asked a question about the refusal of oil companies to bid on contracts for heating oil in northern Ontario.

Hon. Mr. Welch: Name me a school that hasn't got a contract today. Name me one.

Mr. Deputy Speaker: Order. There seems to be a considerable amount of repetition and interjection. I will agree it is an emergency debate under discussion here and I wish all members would give the member who has the floor the opportunity to speak.

Hon. Mr. Welch: A point of order: I think it is important for the public of this province to appreciate at this very moment in the Legislature of Ontario we are debating a resolution talking about the impending crisis.

Mr. Wildman: That's not a point of order.

Hon. Mr. Welch: It is. It speaks to the question of relevancy in the debate.

Mr. Deputy Speaker: Order. What is your point of order?

Hon. Mr. Welch: The impending crisis in the availability of energy supplies. No one is questioning the need for conservation. No one is questioning the need for alternative energy supplies. Let's debate the impending crisis in the availability of energy supplies, particularly home heating oil, today. Facts. Let's have them.

Mr. J. Reed: The advice from the Minister of Energy is well taken. I would like to proceed with the debate on the impending crisis.

The question, I suppose, is what constitutes a crisis in the mind of the Minister of Energy? Is the crisis when the first thousand people run out of heating oil for their homes and can't get it? Is that it? Is that what constitutes a crisis in the mind of the minister? I would like a statement from the minister when he speaks to tell us what it is that constitutes the crisis.

Hon. Mr. Welch: You are supporting the motion.

Mr. J. Reed: Of course we are supporting the motion, because the crisis is impending if the Prime Minister's statement is worth anything. The members over there are the ones who sold him to the people of Canada, for heaven's sake. Now the Prime Minister has made a statement about heating oil shortages and now they are denying any impending crisis.

The first thing they might do is level with the people of Ontario and tell them exactly what is happening. They are big people; they are grown up and they know how to bite the bullet when the bullet has to be bitten. For pity's sake, share the truth with them.

The member for Carleton East talked about the information from the National Energy Board. Certainly it is essential that that information be brought out before the public so the public can see it and understand the reality of it, but I have to tell the minister and the member for Carleton East that information was available and has been available on a continuing basis both from the Ministry of Energy itself and from all of the various people who are concerned with petroleum supplies in this province and it led this member to believe a long, long time ago that we were headed in this direction.

I'll just go back to a couple of press releases. Here is one from October 31, 1979: "New evidence comes in almost daily that oil companies are either reluctant to or refuse to bid on institutional oil contracts this next winter. The only conclusion to be drawn is that the companies cannot guarantee supply and therefore will not bid." That was evidence. There was nothing extravagant about that claim. I am sure the minister had access to that same kind of information.

When the minister stood up on October 11 in this House and said the supply was "tight but manageable," he also knew that every oil company that had talked to him, every person concerned with the distribution of petroleum who had talked to him—if indeed he had been talking to them as regularly as I have—had told him, "Yes, it's tight but manageable, but if there is one breakdown in the delivery system we have a problem."

Hon. Mr. Welch: Maybe there will be a fire. All sorts of things could happen.

Mr. J. Reed: The minister should realize that had there been a fire last year or the year before or the year before that it would not have brought about a supply shortage, but because the domestic supply is declining, because we have all of these other factors coming in, we do have an impending crisis. Let's face it honestly. Let's understand it and let's share all of the information with the people of Ontario so they know exactly where they stand. For heaven's sake, the government to this point has done nothing but try to feed phoney placebos to the people of Ontario. They tell us—and twice this has happened in this House when I have asked questions—"Oh, don't be an alarmist. You don't want to raise an alarm." It's fine to lead people over the cliff and say, "It's all right. We don't have to be concerned about this," but the very least this ministry could do is share the real facts with the people.

Hon. Mr. Welch: Would you recognize it? You haven't shared one since you started to speak in this debate.

Mr. Deputy Speaker: Order.

Mr. J. Reed: I want the minister to look back at his own Ontario Energy Review, look at the graphs there and tell us there is no impending crisis. I want him to look at his own facts, to look at his own statistics and then tell us whether he thinks there is a crisis or whether there isn't. Next February

or March when we are dealing with some of these shortages, then he can stand up and tell us how correct he was.

Mr. Deputy Speaker: Does anyone else wish to speak?

Mr. Laughren: I'm on my feet, Mr. Speaker.

Mr. Deputy Speaker: The member for Nickel Belt.

Mr. Laughren: That hurts, Mr. Speaker, when you don't know I'm on my feet.

We are indeed here, as the Minister of Energy interjected a couple of times, to debate the problem of an imminent shortage of supply—

[4:30]

Hon. Mr. Welch: An impending crisis.

Mr. Laughren: —an impending crisis of a shortage of heating fuel and gasoline. But I would put to the minister that the ramifications go beyond an immediate shortage. It's hard for me to believe that we in this country are debating the supply of gasoline and heating fuel to drive our cars and heat our homes. I find it hard to believe that we are even engaging in this kind of debate in this country because we are a people who cope with the cold climate by heating our homes with fuel oil and cope with the vast distances by driving our cars. I have a very, very strong sense and I don't think the minister has, that we fuel our economy by depending on people to make major commitments to large capital investments in this country based on the assumption there's going to be a supply of things like energy in the years to come.

The Minister of Energy has not seemed to come to grips with the psychological importance of fuel supply to the health of the economy of Ontario in the years to come. As an Ontarian and as a Canadian I have every right, as do all the people, to be very angry with the federal government, both the one now in Ottawa and the one that preceded it, because they have played the role of grovelling messenger acting as go-between for the people of Canada and the oil companies. We could hardly be blamed if, as a people, we resorted to that old practice of shooting the messenger who brings bad news.

The Canadian people have acquiesced too much, in my view, as the oil companies led us by the nose through phoney shortages, phoney surpluses and manipulated oil prices. That's what they have done to us and Ontario, Canada's largest oil- and gas-consuming province, has failed in so many ways that I believe history will look back on us and say we were victims who didn't even put up a fight. That's how history will judge us when they talk about energy in the 20th century.

This government has participated in a conspiracy of silence with the federal government over the availability of supply. That's what it has done and that's why we are having this debate this afternoon. The minister's blind allegiance to the federal government is a testimony to his getting into the same kind of trap as the federal government; they are more concerned about their own petty fortunes than they are about the future of supplies of oil and gas in this country. This government sits by benignly and watches the federal government proceed to put the machinery in motion to dismantle the only safeguard we have against price and supply manipulations by the multinational oil companies. The minister sits there and watches it all happen.

This government is willing to sit there, make all the proper noises about protecting Ontario and, at the same time, do nothing to prevent the sale of Petrocan, absolutely nothing. Petrocan should be expanded but the government is sitting by and watching as it is about to be dismantled.

It's fine to have all the rhetoric in place. That's very nice. It makes this government heroes in the eyes of some Ontario citizens. But when it comes time to challenge the federal government about its programs, this government sits by and does absolutely nothing. I don't believe I am a unique Canadian when I say my national integrity is as important to me as my pocketbook. That's how I feel about the dismantling of Petrocan and what it means in the long term to the supply and pricing of oil and gas in this country.

I believe I'm a typical Canadian when I say I don't want to be whipsawed between oil companies more interested in profits and a federal government more interested in revenues. That's all. The provincial government has made all the right noises but has never insisted on anything that would protect the Ontario consumer. They have made the noises but acquiesced when the federal government indicated they were going to proceed anyway.

It's simply outrageous for the Minister of Energy to sit there and say nothing in public while the Prime Minister talks about selling more oil and gas to the US and in the next breath talks about an impending shortage; the possibility of a supply shortage.

The minister should understand this is the industrial heartland of Canada. The spectre of shortages of home heating fuel or of oil and gas will exacerbate a problem already

there, namely, the deindustrialization of the Ontario economy. That is something that will be exacerbated even by the psychology of the possibility of the shortage of supply in the years to come.

We in Ontario do not have to sit idly by as our auto industry, for example, goes into a tailspin—not because Canadians are not buying automobiles but because we are producing large automobiles here and are unable to sell them in the American market while we import small automobiles produced in America. There is something wrong with that kind of system. How long is it going to be, even though the sale of big cars is up in Canada this year, before that comes home to roost here and Canadians stop buying the big cars and start buying smaller cars as the Americans have done?

This will mean two things. It will mean, first of all, we will have an even more difficult time producing the big cars here and we will import more of the small cars produced in the United States and elsewhere in the world. That's unacceptable to us. The minister sits there and does absolutely nothing about it. I don't believe we have to take that. We should not have to take that. And it is no small matter of concern.

I am glad the Minister of Industry and Tourism (Mr. Grossman) is scheduled to speak later. I hope he will talk about that. I hope he will say what it means to the Ontario economy to even have talk of shortages of home heating fuel and gasoline in this province. That is a very serious concern. I wonder if the Minister of Industry and Tourism really understands it, because there is a very direct relationship. We are talking about the health of the Ontario economy, not just in heating homes, but in keeping going the machinery that makes the whole thing go around.

The minister insists he is relying on the figures provided by Ottawa, by the National Energy Board. We know where they get their information. We have seen the information they have given us in the past. To say the least, in years gone by it has been unreliable. I will tell you something, Mr. Speaker. As long as the minister has only the National Energy Board and the major oil companies, foreign controlled and owned, then he has no alternative. That is a pretty sad commentary, isn't it?

If the minister thinks without an expanded Petrocan he is ever going to have a handle on the proper statistics, he is dead wrong. That is one of the major reasons why Petrocan must be retained in the public sector and why it must be expanded, not dismantled. He doesn't even seem to understand that. He seems to think the National Energy Board will provide him the figures and he will just accept them, even given the fact of where the National Energy Board gets its figures.

I want to tell you, Mr. Speaker, I sat here and heard the Minister of Energy interject a couple of times when my colleague from Carleton East was speaking. He said a couple of times, "We are not here to talk about conservation; we are here to talk about an impending crisis."

Hon. Mr. Welch: I said there was no argument. Speak to the resolution.

Mr. Laughren: That show is the kind of view the Minister of Energy has about the problem. He sees it.

Hon. Mr. Welch: We agreed on that.

Mr. Laughren: No, no. The Minister of Energy said, and I roughly quote, there is no imminent danger of a shortage. He said in the current heating season—he uses those phrases—there is no imminent danger of a shortage, as though we were just witnessing a blip on the scope. Not to worry, says the Minister of Energy.

I want to tell him, if he says that, he compounds that attitude with no commitment to energy conservation in this province. When he combines those two, a failure to understand that it is a long-run problem and, secondly, no commitment to conservation, he really does exaggerate the problem.

Mr. Speaker, I will conclude my remarks by saying there is a credibility gap now between the federal government and the Canadian people. And the Minister of Energy in Ontario is adding to that credibility gap.

Hon. Mr. Welch: Mr. Speaker, yesterday the Prime Minister of Canada stated in the House of Commons, and I'm quoting, that "there may be," and I underline "may be," "limited shortages this winter in Canada's home heating oil."

I would like to advise the House of our perception of the situation and what steps Ontario has taken, and is taking, with respect to crude oil and petroleum product supplies.

Over the past 10 days or so I have met with almost all the chief executive officers of the major oil companies. In all cases I have been assured that, while supplies are tight and there is no room for complacency, Canada should be able to meet its demand for heating oil this winter.

The only caveats, which are usual—and the member for Halton-Burlington, of course, makes reference to them—are with respect to statements such as that would be conditional

on there being no unusual circumstances that would alter the whole situation dealing with any breakdown of refinery operations, or problem with respect to crude oil production and other international situations to which he has made reference. I think it would be a normal list of caveats to add to a situation such as that.

Similarly, my staff have been keeping in day-to-day contact with the petroleum industry, with officials of the National Energy Board in Ottawa and with the federal Department of Energy, Mines and Resources. I have no basis for believing, on this information, that the supply situation for fuel oil has deteriorated to the extent implied by the Prime Minister of Canada yesterday. Clearly, I've been assured that the supply of home heating oil in Ontario for this winter is adequate to meet normal demands.

While this is encouraging, I think all members would agree with me that should Atlantic Canada have home heating oil problems this winter, Ontario should do what it can to relieve the burden and share in the solution of that problem.

If I may, Mr. Speaker, I believe it's important at this time, as members have emphasized, to review with you some of the actions taken by the Ministry of Energy on the question of petroleum products supply since just the beginning of this year.

As has been pointed out, the ministry receives on a monthly basis documentation from the National Energy Board covering the crude oil and petroleum products supply and demand situation on a regional basis for all of Canada. The text is a composite of oil-industry data combined with an analysis by the board. Historically, this information has proven to be a reasonably reliable indicator of events.

During the first quarter of 1979 there was some concern expressed over the petroleum supply situation. Major factors at that time were the Iranian upset and some operational problems among the refiners in Eastern Canada. On May 10, my predecessor, the member for Leeds (Mr. Auld), advised this assembly that prospects for both motor gasoline and home heating oil were good this year. He further indicated that the ministry was monitoring supplies of heating oil for the 1979-80 heating season and that with reasonable care there should be no need for allocation or rationing.

During that time there were numerous occasions when various representatives of the ministry, including myself, contacted the federal government and the petroleum industry to seek clarification of developments and to request that certain actions be taken. In the interests of time, may I quickly outline only a few of the more significant events? I feel this particular information should be on the record at this time.

On June 20, we requested assurance from the petroleum industry that everything possible was being done to ensure that home heating oil supplies would be adequate for the 1979-80 heating season. At that time we stressed the urgent need for formation of an industry-government committee similar to the technical advisory committee—popularly referred to as TAC—established at the time of the 1973-74 oil supply problem.

On July 20, a month later, recognizing conflicting information at that time—which was available to the public—we asked the NEB to clarify the data being obtained from the industry and again repeated the urgent need for TAC and assurance with regard to home heating oil supplies. On July 27, at the request of Ontario, a federal-provincial staff meeting was held with the NEB to review the latest information.

[4:45]

Ontario tabled the following requests at that meeting: Immediate formation of the technical advisory committee or its equivalent; second, revision of federal crude oil compensation programs—very, very important, particularly at this time; immediate cessation of light and medium crude oil exports; establishment of regular meetings until the supply problem was relieved; and the establishment of a formal communication process to make the public aware of developments.

An assessment of the information at that time led to a conclusion that the supply situation could most accurately be described as tight, but manageable. On August 9 a formal request was made to the federal government to cease all further exports of light and medium crude oil to the United States, or at least have these exports continued on a swap arrangement with an equal volume of comparable quality crude oil being made available to eastern Canada.

On August 24 my ministry advised the National Energy Board it was not convinced of the accuracy of some of the data being provided by way of the board's analysis and again stressed the need for industry-government contact through the technical advisory committee.

On August 29, I advised the federal minister of four main areas of concern we felt must be dealt with before Canada could be considered in a reasonable state of preparedness in the case of a supply emergency. These are the administration of the Energy Supplies

Allocation Board programs; the distribution and availability of heating oils; motor gasoline rationing; and operational readiness in case of an emergency.

On October 3 federal-provincial officials again met with the National Energy Board to receive a revised outlook and to debate any further action that might be required. We continued, as a province, to express concern over the quality and accuracy of the information being provided and restated the request of July 27.

On October 18 we again expressed serious concern to the Honourable Ramon Hnatyshyn with regard to the potential for misunderstanding and undue concern by the public as a result of speculation and misinterpretation of information being made public. As an example I cited two red headlines in the Toronto Star of October 16. One in the two-star edition read, "Winter Outlook Bleak For Heating Oil Supplies." It was followed by the four-star edition two hours later which read, "Oil Firms Confident There Is Enough Heating Oil." So the need for reliable and current information for the public at large was again stressed. Little wonder the public would be somewhat confused with respect to this situation.

On October 23, at the urging of the Minister of Energy for Ontario, the Council of Provincial Energy Ministers at their meeting in Calgary unanimously agreed to an expression of concern and Telexed the federal minister outlining the need for reliable and public petroleum products supply-demand information, revision of the federal crude oil compensation program and the immediate establishment of a group similar to the technical advisory committee. The council also established a task force to examine security of supply for petroleum products to eastern Canada.

On November 1 federal-provincial officials again met with the National Energy Board to discuss the most recent supply-demand information. It was agreed the supply situation could still be described as tight, but manageable. However, it was recognized the overall situation had not improved as was expected.

On November 5 Mr. Hnatyshyn was again advised of Ontario's concern with regard to the availability of reliable public information. In addition, the urgent requirements for some evidence of the federal government's preparedness in the event of an emergency was again stressed.

I report to this House that next Wednesday, December 12, my deputy minister and other senior staff will be meeting with federal officials to review the latest National Energy Board supply report for the period up to November 10, 1979, a copy of which I have not yet had as part of that media release and to which I made some reference in the preliminary remarks prior to the Speaker ruling on this debate.

In addition, I have asked my deputy to propose to the federal minister that the agenda for that meeting also include the need for the immediate establishment of a technical advisory committee composed of representatives of the petroleum industry, the federal government and the provinces, because only in this way do we believe we can get an accurate appreciation of the inventory picture and the supply outlook—

Mr. Acting Speaker: The honourable minister's time has expired.

Hon. Mr. Welch: —and, secondly, changes to the federal government's oil compensation program.

I should be able to give to the House a fairly full report on the motor gasoline and fuel oil supply situation following next week's meeting in Ottawa and I will be pleased to do that.

Mr. S. Smith: Mr. Speaker, I rise to follow one of the most astonishing speeches I have heard in the short time I have been in this House. At the same moment the Minister of Energy was telling us we had no choice but to have confidence in the National Energy Board data, at the same moment he was telling us that he could state confidently everything was tight but manageable, he was also expressing very serious concern about the quality of the National Energy Board's data; he was expressing very serious doubt about whether we could depend on that data; he was expressing the opinion there might not be a sufficient state of readiness in the event of emergency. And he was doing all that privately, while this House was kept completely ignorant of the doubts which he and his ministry had about these particular pieces of information and the memos going back and forth between Toronto and Ottawa at the time.

If there was ever a clear example of the need for open government—and, I would say, in all seriousness, a need for new government which would be genuinely open—this has to be it.

What did he have against the members of the Legislature and the public, especially when he is quick to criticize the Toronto Star and others for giving what he considers faulty information? Why did he not take us into his confidence and tell us that he was concerned

about the quality of data being provided by the National Energy Board? Why could he not tell us the doubts he harboured?

Furthermore, he tells us today the oil companies tell him one thing and the Prime Minister of Canada says another and he has no particular reason to believe the Prime Minister of Canada over the oil companies. That's a very interesting statement concerning the credibility of the Prime Minister of Canada.

It makes one wonder how much research the minister's leader did into the credibility of the present Premier when he went up and down Ontario inviting Ontarians to elect that man as Prime Minister. He did it without even knowing the energy policy of the man who is now Prime Minister of Canada. It makes one wonder why, after he did find out what the energy policy was and after he did find out how damaging it was to Ontario and after he did begin to harbour doubts about the federal policy concerning possible shortages, he still had the true blue Toryism in his veins to stand up at the same fund-raising dinner as the Prime Minister of Canada and introduce him as the person, presumably, still worthy of the support of Ontarians. He should go up and down this province to make sure that every federal Conservative elected from Ontario will be defeated next time, because Ontario still counts for something in Confederation.

Let's come back to this. Here we have a situation where the minister does not believe the National Energy Board's figures and yet continues to spout them here in the House as something about which we should all be confident. The secrecy of this government, which I have repeatedly pointed out, surely has reached some new record level in this regard.

Look at what's happened since the election of Mr. Clark, Mr. Speaker. Petrocan was making arrangements with Mexico which might well have supplied the extra oil we needed. But instead of giving the proposal the government's blessing, they had to spend all their time trying to convince the government they had a right to exist, trying to convince themselves and others of the possible impact of some of the hare-brained schemes put forward by the federal leader of the Conservative Party, the man we must unfortunately tolerate for a little while longer as Prime Minister of the country.

It's all very well for the oil companies to tell us everything is tight, but manageable; to calm down, everything is fine. But they're out there on the stock market. There are reports of the oil companies buying oil on the stock market at prices as high as $50 a barrel.

Hon. Mr. Welch: Not for Canada.

Mr. S. Smith: The minister says not for Canada. I hope the minister will walk into this House with proof tomorrow that it's not for Canada, because that's not what the reports indicate.

Let me make it clear, furthermore, the tight but manageable statement was made before the cutoff of supplies from Iran. Furthermore, the minister knows we're in agreement with the United States whereby we have to make up certain shortfalls, if necessary, just as they would have to make it up should we have been boycotted in some way. He knows very well all these things have happened since the statement "tight, but manageable." Now he says there's no impending crisis today.

It's like declining enrolment. Until the schools were empty they couldn't bother to foresee that for every kid born and for every year that passed, the chances were the kid would get a year older. They couldn't figure that out until the schools were empty. Then they set up a royal commission to tell us we had declining enrolment. They can't play those games now. It won't be good enough to set up a royal commission when people are without heating oil. They know they've done nothing. Their federal government has been stupid and they've been complacent.

Today there are greenhouse operators in Ontario not more than several feet from natural gaslines and they can't get that natural gas because of the stupidity of the technical monopoly setup whereby you can't gain access unless you're in a particular territory or within a particular boundary. What has the government done to gain access to natural gas for the small communities? What have they done to make sure they wouldn't be swamped with requests and they would have the manpower—given the unemployment we have, heaven knows we have enough people—and the furnaces and the burners to get people on to natural gas since we have enough of that apparently? We have so much they're going to export the cheapest natural gas and leave us with the expensive stuff down the road, I suspect.

What has the government done to substitute for oil, apart from standing around telling Hydro to put ads on television saying, "Isn't it great we have electricity when we might not have oil?" We know electricity is only partially substitutable, and the minister should know that. That's not going to solve our problem. What about a fuel-alcohol indus-

try for Ontario? What about using the resources of this province properly?

Instead of that we've had a government fatigued from 36 years in office, now led by an incompetent federal leader and a complacent provincial leader, facing the technical and difficult problems of the 1980s with the shopworn attitudes of the 1950s and 1960s. Sure, the Premier and the Minister of Energy like to give the public the view that everything is fine, everything is under control, that there's no need for any concern about any problem, it's all allegedly under control. A steady hand at the wheel is the impression the Premier likes to give. I'll tell you, Mr. Speaker, it's steady because rigor mortis has set in, and the ship is heading for icebergs.

When we should have been encouraging Petrocan to arrange a deal with Mexico and a sure supply, we were busy threatening Petrocan's very existence. When we should have been producing fuel alcohol we were busy pooh-poohing those notions and putting billions more into electricity when we already had more than enough electricity for the foreseeable future, no matter if people plugged in their heaters, as the Globe and Mail is fond of saying.

We know perfectly well that when we should have been converting to natural gas, expanding natural gas lines into various communities and across various boundaries within our province, we were sitting on our hands paying extra for natural gas so more could be found in Alberta. Now we're going to let Alberta export the natural gas found as a consequence for our paying for it when that money should be used to expand the natural gas access into every part of Ontario where even remotely feasible.

What we're left with now, Mr. Speaker, is a situation where suddenly supply has become a matter of some interest to the minister. Suddenly he is ready to admit to us he has no confidence in the figures from the federal scene. Suddenly he is prepared to say, in the middle of a debate at five o'clock today, that his Prime Minister is not to be believed when his Prime Minister's view is in conflict with the minister's friends in the oil companies. Why didn't he have that view of the Prime Minister when he sold him to the people of Ontario?

[5:00]

I will tell him this: The time is coming when the people of Ontario will send a message to Joe Clark as to how we like being treated this way, as to how we like having the Alberta tail wag the Canadian dog, as to how we like to be given information which is not accurate and up to date, as to how we like to be left at the mercy of these oil companies when we should have been in a position where we would have access to cheap natural gas. We will send a message to Joe Clark. The only message he will understand is not one that will be whispered in his ear by his friend the Premier at their next fundraising dinner; it will be when Conservatives are defeated throughout the length and breadth of Ontario and replaced by Liberals and then he might start to listen to the province of Ontario.

Mr. MacDonald: Mr. Speaker, there are two absolutely incredible aspects to this debate. We have had the Minister of Energy get up in his place in this House and say that the Prime Minister of the country, his kissing cousin, Joe Clark, made a speech in the House in which he was wrong. He came to the wrong conclusion. Indeed, he came to the wrong conclusion, so our minister concludes, on the basis of information from sources he now confesses he has doubted all along the way.

What sort of posturing is this? How can the minister get up and say the Prime Minister is absolutely wrong and then quote sources about which he himself is doubtful? It is absolutely ludicrous. I thought this minister was one of the more astute, the more politically sophisticated, but he has a capacity to be suckered to an extent that I wouldn't have believed of virtually any member in the cabinet. He now believes the information which he doubts and, on the basis of that, he gets up in his place in this House and says the Prime Minister is wrong. That is one incredible thing. The other one is even more incredible.

This minister doesn't know what the situation is. That is the problem. He has constantly told us down through the months, and particularly down through the last few weeks, that on the best information he has been able to get from the oil companies, who have conned and misled the public when it served their purpose all down through the years, and on the basis of information from the National Energy Board, which—there has been plenty of experience—has been inadequate and often wrong, there is nothing to be worrying about. He browbeats his Prime Minister. .

Is this Minister of Energy in effect saying that Joe Clark is an alarmist? After all his caution to us about being alarmist because we face the realities and the facts is he, in effect, saying that Joe Clark is an alarmist? The minister had better have a good night's sleep. He is not informed. The fact is he

doesn't have the information. What makes it even more incredible is where he got any information he has. He got it from the member for Carleton East. She went over to him last Tuesday and asked for a copy of a Telex he had and the minister said, "I'll give you this Telex if you give me the information you got from the NEB."

Imagine the Minister of Energy from the province of Ontario, representing one-third of this nation, asking for basic information from the member for Carleton East, who went up there and dug it out. If she hadn't dug it out, he wouldn't have it even now.

Hon. Mr. Welch: Mr. Speaker, as a matter of principle, the honourable member came across the floor to me and wanted to see the Telex I had, in which a reference was made to a media release to which would be attached NEB information as of the end of October. I told her I did not have that information. I disclosed to the House earlier today that the information which she thought was to the end of October was really to the end of September. It was not end of October information at all.

It is very unfair for the member for York South to suggest what he is suggesting. The honourable member did not have the information she said she had as referred to in the press release. No wonder I was surprised that she had information referred to in the press release. I would agree with the member for York South if that was how I would get the information. That was not the information that she had.

Ms. Gigantes: Mr. Speaker, on that point: I can't let it pass without asking the minister to read from the information which I gave him. What does it say at the top of that page?

Hon. Mr. Welch: "The National Energy Board has confirmed to me this afternoon that it gave Evelyn Gigantes September, not October, data."

Ms. Gigantes: What does it say?

Interjections.

Mr. Acting Speaker: Order.

Mr. MacDonald: Mr. Speaker, I have the floor. May I read to you here, "Review of year to end of October"? If the minister is getting up and telling us he has been informed the NEB is not only incapable of getting the information, but is incompetent and types wrongly, okay. But that is the information on which he is reporting to this House and saying there is no impending crisis. He can't have it both ways.

Hon. Mr. Welch: I haven't got the end of October.

Mr. Renwick: Do you mean you are sitting there and you have nothing since the end of September to talk about?

Mr. Cassidy: And you are saying we are okay? That's irresponsible.

Mr. Acting Speaker: Order.

Hon. Mr. Welch: The report is monthly and you know that.

Mr. MacDonald: The minister is doubtful about what the NEB has done, but the minister has either been unwilling or unable to get the information he should have and which the people in this province are entitled to. He hasn't been doing his job.

The member for Carleton East went up and got information which the minister should have had and wouldn't have had if she hadn't delivered it to him there. So don't blame—

Hon. Mr. Welch: The October information is late.

Mr. MacDonald: I can understand why he is getting excited at this point. He is so totally vulnerable he is beginning to look a little bit silly.

Hon. Mr. Welch: That is absolute nonsense. I like objective and fair comment and a man of the member's experience should know better than to be contributing this drivel to the debate.

Mr. MacDonald: What is objective and fair comment?

Hon. Mr. Welch: The member should know that.

Mr. Deputy Speaker: Order.

Mr. MacDonald: The minister was rather cute a few moments ago. He is trying to discredit the information which the honourable member went up and got from the NEB with her own hands.

Hon. Mr. Welch: As a matter of fact—

Mr. MacDonald: Just listen for a moment. Just listen to the argument. He is trying to discredit the information when he knows, because he has been told and he can't deny that it isn't totally correct, that the NEB has delayed releasing this information for 11 days. It has passed five deadlines and the information Joe Clark gave in the House yesterday to indicate there was an impending crisis was the basis of a release which was going to be given out today. They postponed it once again until next Tuesday.

Hon. Mr. Welch: Is that a fact?

Mr. MacDonald: Yes, it is a fact. That is a fact.

Mr. Gigantes: Now the minister tells us it will be out tomorrow.

Hon. Mr. Welch: I guess when it arrives.

Mr. MacDonald: It is going to be next Tuesday now.

You see, Mr. Speaker, the situation is this. The National Energy Board doesn't know exactly what the situation is. The minister has sat there and done nothing in terms of getting after the federal authority which he hopes—

Hon. Mr. Welch: I gave the member a whole list of things we have done.

Mr. MacDonald: The minister gave me a whole list but he has done nothing effective in terms of getting the facts. If the National Energy Board can't get him the facts, then he shouldn't be so reliant on his kissing cousins in the oil companies as well as on his kissing cousins politically. He shouldn't accept the information. Let him establish his own agency if he can't trust anybody else's agency.

Let me deal specifically with the point on which the honourable minister has intervened a number of times. He says there is no impending crisis. He dismisses his Prime Minister in Ottawa. He says there is no impending crisis. Let's speak to it.

Hon. Mr. Welch: That's right.

Mr. MacDonald: He says, for example, that we have a surplus of electrical energy. True, we have. Everybody knows it. He says we have plenty of coal in this country. True. Alberta is totally underlaid with coal, but we have no cars to bring the coal down here. We have no program to mine it to meet our needs. So it isn't here.

He says we have plenty of natural gas. True, but our pipelines are totally filled in meeting the requirements that are already commissioned. In other words, we may have plenty of electricity, we may have plenty of coal, we may have plenty of natural gas, but they can't be transferred to take the place of oil except to a very minor degree. Therefore, we have an impending crisis because very close to 50 per cent of the energy requirements of Ontario, at present, are for oil. It can't be replaced from these other sources which are not available.

That's why there is a crisis, Mr. Speaker. Let the minister open his eyes, get his head out of the sand. If I may make another analogy, he should not lead the people of the province up to the cliff so they have to fall over the cliff into a crisis before they realize it exists. That is the minister's problem and he himself has confessed the validity of our querying all of the information he doesn't have but is willing to accept periodically and then when we don't accept it, he cries that we are alarmists.

Mr. Speaker, we join Joe Clark as an alarmist to say to this minister and the people of this province and the people of this country that we are facing an impending crisis. We are facing an impending crisis and that's why we needed this debate this afternoon to underline it.

Hon. Mr. Timbrell: Mr. Speaker, it is nice to see that the speeches for the opposition parties haven't changed in three years. That's too much, even though the situation with respect to a variety of aspects of energy policy has continued to advance. I thought I might spend some time today reminding the House of the leadership role this province has taken over the years with respect to the development of a natural gas and oil pipeline system in the country, going back to the days of Mr. Frost.

I thought I might take the time of the House today to talk about the leadership role this government and this province has taken in the development in this country of a nuclear industry which I still firmly believe will be one of the strongest assets of this country in the next 25 to 50 years.

Mr. MacDonald: Point of order, Mr. Speaker. The Minister of Energy intervened a few moments ago and said the point of the debate on the resolution this afternoon is an impending crisis. I suggest all of this historical background is irrelevant and out of order.

Hon. Mr. Timbrell: Mr. Speaker, with respect to my honourable and long-serving colleague the member for York South, I think it is quite relevant inasmuch as this government has consistently adopted a leadership role in this country in the development of energy systems and resources from one end of the country to the other.

I thought I might take some time to talk about Syncrude and the role this province played in making sure the Syncrude project carried on and the technology was not put on the shelf for decades. I thought I might talk about the Sarnia-to-Montreal pipeline and the supportive role this province and this government took with that. But instead, I thought I would talk about a subject completely glossed over by the members opposite today. It is one which, when they talk about an impending crisis, when they talk about energy supplies of the future, is as important to the future of this country as any of the activities of my colleague, the member for Lincoln, with respect to ensuring supply and that has to do with the question of conservation.

I had the honour to occupy the chair of Minister of Energy for two years. When I was minister this was an area to which I devoted a great deal of attention and about which I was very proud. It discourages me no little bit, notwithstanding the collective efforts of both federal and provincial governments of both stripes, Liberal and Conservative—and NDP in certain provinces—to find out from officials of the Ministry of Energy that last year we returned to about a four per cent increase in the use of gasoline as opposed to around a two per cent figure the year before, which is of course a more desirable figure.

It is particularly discouraging not only in the light of all of the information transmitted to people but also in the light of the fact that more and more of the vehicles on the roads today are meeting the standards established by the previous federal government for 1980 and subsequently for 1985. I would remind members again, we completely supported and urged on them.

[5:15]

Mr. Speaker, it is even more discouraging when one looks at the increase in gasoline usage in the west, which I am now told is now running at something like eight or nine per cent. Clearly we have not yet broken our fascination with the motor car and perhaps even more will have to be done in terms of the revision of standards with respect to the production of automobiles.

I think it is worthwhile reminding ourselves though, that we have made advances. I would point with pride to the building code changes which were given effect—what is it now, about four years ago?—when the member for Carleton (Mr. Handleman) was the Minister of Consumer and Commercial Relations.

I am pleased to see that the present minister and his staff are discussing with the producing provinces, particularly Alberta, the prospect of financial incentives to the gas distributors to further expand their networks. I am pleased to hear, too, that the rate of conversion from oil to natural gas in the province is running at three times its historical rate, which is encouraging for the future.

I am pleased to be told that apparently the rate of utilization of fuel oil has been declining. This is due in part to just the simple matter of turning down the thermostat and due also in part to insulation which has been assisted in no small measure by the CHIP program established by the previous federal government—and let's give them their due.

I am also pleased to see how well the energy bus has been used in the province since it was first put on the road in 1974. It's a program which has now been adopted right across the country and, to no one's great surprise who had anything to do with it, we learn that countries such as Japan and other countries in the Middle East have now made application—I guess that is the way to put it—to adapt the energy bus to their countries. Why? Because of examples such as the one of McMaster University, and I think this is one that bears some examination.

In four years, from 1974 to 1977, they invested $152,000 at McMaster University in energy conservation. They have realized a return of $2.25 million on that investment; clearly an example for everyone to follow. They have decreased their use of electricity by 27.8 per cent, their use of steam by 49 per cent, their use of chilled water by 58 per cent—and the list goes on. Apparently, the cumulative savings to the end of 1978 now total in excess of $3.65 million.

Today, sir, we are debating the security of energy supplies and to a much greater extent than has been acknowledged in this debate today. That is going to depend on individual actions, on individual initiatives, with the support of government which has been the case over the last five years, actions which will emulate in spirit the commitment of McMaster University.

As you know, Mr. Speaker, the Ministry of Energy has taken the view that if we are to be credible to the public—both business and the municipalities—we, too, must show by example what can be done. So to assist industries to identify the potential savings possible through careful energy management, the ministry, with the co-operation of Mohawk College, did develop the energy bus. That has clearly shown itself to be of great value to a great many industries.

It has been estimated that the typical municipality of 70,000 people would spend on average about $1 million a year, or about 10 per cent of the municipality's property tax revenue. The estimates of the Ministry of Energy officials—and I think these are reliable estimates—are that fully $100,000, or 10 per cent of that million dollar a year expenditure on energy, could be saved.

It's interesting to note that last year the ministry initiated a program in Toronto which they called the downtown energy conservation program. Twenty nine corporations which own, occupy or manage 45 buildings in the downtown area of Toronto were brought together by the ministry and Ontario Hydro to

see what could be done to reduce their energy consumption. The first results, Mr. Speaker, are nothing less than spectacular. Seventeen companies, representing 26 buildings, have shown an annual drop in energy consumption of approximately 22 per cent. That 22 per cent, the honourable member will be interested to know, represents a yearly saving of $2.5 million, enough to heat 7,500 homes for a year.

It interests me even more to find out that in 1978 the peak load demand on Toronto Hydro actually dropped for the first time in 67 years, barring the 25-cycle changeover which took place in the late 1940s and 1950s and a change in the boundaries of the service area.

With all of the concern being expressed on all sides, I think it behooves us to remind ourselves and to remind our constituents in all of our actions of what we, ourselves, can do to help ourselves. That as much as anything this government has done and will do with respect to energy supplies and distribution systems, will be a major factor in the security of this province in the future.

Mr. Conway: Mr. Speaker, I would like to make a comment and a contribution to a debate which I perceive be the most important part of the present energy debate. The security of supply is the matter about which my constituents in rural, small-town, eastern Ontario are most concerned.

I want to speak today as a member from a far-eastern Ontario constituency, where we do have a rather special situation vis-à-vis those of the rest of the province who reside in the central and southwestern part of the province. In communities like Pembroke and Deep River and Cobden and Renfrew we are much more dependent upon Montreal refineries and, as a result of that, offshore petroleum resources.

I have this afternoon contacted a number of the fuel oil distributors in my constituency of Renfrew North and I have been told by some, not all, that yes, there is a clear indication from some of their suppliers in Montreal that it will be a very difficult winter and they have been encouraged not to take on very much additional new contract work and very little guarantee can be offered to them, given the precarious situation of the Iranian and Venezuelan supply line. That is extremely important.

I rose this afternoon on a supplementary question to inquire of the Minister of Energy as to exactly what he had done to initiate special measures to protect the far-eastern part of this province against the special jeopardy in which it finds itself. He mumbled about a task force that had met once to consider possible alternatives, should those eastern supply lines be cut.

That is not good enough. I want to hear from this Minister of Energy, if not today, certainly tomorrow or at the very earliest opportunity, what special initiatives, what special contingencies he has in place to make petroleum products available to those people whose dependence on the Montreal refinery, and therefore the offshore resources, is much more jeopardized than others.

I want to say something else about rural eastern Ontario, where we do not have the kinds of options for substitution others in this province have. My friend from Ottawa East (Mr. Roy) brought to my attention a matter I think is particularly germane to this afternoon. We are told by the minister, his deputy and the Premier and lots of others, "We have all this marvellous electricity which is certainly available."

As my friend from Ottawa East reminded me, this summer we had an indication from the Porter commission that the national capital region in particular, but the eastern Ontario region in general, is in a very serious situation with respect to the next few years in so far as transmission of the available electrical capacity is concerned. We have it, but for many in eastern Ontario the immediate future with respect to brownouts and interrupted supply is very dicey. I must say it is typical and not altogether surprising that the far-eastern region finds itself again so disadvantaged by a government which continues to express much less than the kind of interest to which I believe the people of that region are entitled.

Mr. Speaker, in communities like Pembroke we have the option of a natural gas alternative. I am one of those currently considering substituting my petroleum source for home heating with natural gas. I have seen nothing from this government about the kinds of options, the sort of decision-making process I should undertake in that connection.

As a member of the energy committee these past few months, if that's the condition I find myself in, what must be the attitude and position of the—

Ms. Gigantes: The hydro committee.

Mr. Conway: The hydro committee, my friend from Carleton East reminds me. How must the other consumers in eastern Ontario, who are considering these kind of options, find themselves?

My leader is absolutely correct when he suggests there has been a striking want of

leadership from this government of this vital matter of public policy. Yes, we have heard and applaud the member for Prince Edward-Lennox (Mr. Taylor), when he says 800,000 rural hydro consumers are being ripped off by the provincial utility. I agree with my friend from North Port. I agree with him wholeheartedly. Who better than he to know of the condition of the provincial utility?

It is said by the honourable members opposite, "We have this marvellous excess capacity in the provincial utility and why not tell your good folks in places like Renfrew North to convert?" To begin with, Hydro has told us we had better go easy for the next few years in the eastern region because our present transmission facilities are stretched to their absolute limit and brown-outs may be the order of the day in the next few years.

I bring a journal that I know honourable members read religiously, the Cobden Sun, which has on the front page of its November 21 edition a story which is important to put on the public record here. The municipal utility in the little rural village of Beachburg is imposing a 20 per cent increase in the hydro rates. That, they are told by Hydro, is only just the beginning.

I want to ask the member for Cochrane South (Mr. Pope) and others across the way, what specific kind of incentives are they prepared to offer people in eastern Ontario faced with few or no alternatives? In so far as hydro is concerned they either are not guaranteed a security of supply because of the wretched planning on the transmission policy, or they're faced with these kinds of incredible prohibitive increases which make the hydro resource very, very unattractive.

What has the minister done about making natural gas more available? What has he done about making the forest industries of that part of the province more attractive in terms of fuel utilization to people like my parents, who are a good example, living in the small rural community of Barry's Bay, the homestead of my good friend from Renfrew South (Mr. Yakabuski)? They are forced with this present situation to consider their options, believing the right honourable member for Yellowhead, when he says yesterday that, "Yes, eastern Canadians might very well anticipate a shortage over the course of the next few months, at least on a partial basis."

There they sit in rural eastern Ontario with no natural gas any closer than Pembroke, 55 miles away and with really only two options: return to the earlier days of wood burning or go to a hydro-electric alternative. But this government has done nothing about undertaking a measure of education with respect to that population who are very, very concerned about the condition in which they find themselves.

The member for Brock (Mr. Welch) stands here today and talks about what this government has done. I, like the member for York South, had the pleasure of being at a press conference he called two months ago to announce the second part of the Davis-Welch Ontario energy self-sufficiency program. I watched that distinguished 16-year veteran push forward this trumped-up document of $30 billion of public expenditure that was going to solve the problems and heard him announce that in terms of this government's commitment, there was next to nothing.

Today we have in the Toronto Star an announcement from Jim Hawkes, MP for Calgary West. "Next week's federal budget will contain subsidies to help Canadians switch to alternative sources." That is more than I've heard from the member for Brock. It's a heck of a lot more than I've heard from my friend from Brampton.

[5:30]

I just remind honourable members of a film made about 15 months ago by the NFB on the honourable Premier. Do you remember that session when they were preparing the 1978 budget, Mr. Speaker? I remember it well because I, along with the members for Brock and Riverdale (Mr. Renwick) had to review the thing. I can well remember the Premier sitting back in his chair when the question of energy initiatives was being talked about and he very casually, very laughingly, said that his mother or his wife had suggested it might not be a bad idea to introduce a little tax incentive for storm doors and windows. Ha, ha, ha.

That was in 1978. That's the complacency, that's the abdication of responsibility which honourable members opposite in the treasury bench have shown. This is the position in which they have placed this province as a result of their inaction.

I say in conclusion that I found it very interesting to hear the member for Brock and the Minister of Energy say this afternoon when he worked out the chronology from August through October and November that, yes, he had doubts on various dates. On August 24 he wasn't convinced, as he said, by the National Energy Board data; on October 3, he left the impression he had expressed a grave concern in a memo to the NEB. Finally he stood up in this House as late as October 12 to tell honourable mem-

bers, "I am satisfied on the basis of the information I have that we are in a satisfactory position."

Mr. Speaker: The honourable member's time is up. Do we have another speaker?

Mr. Conway: I think there is a contradiction and an indictment in all of that from which the minister is not easily going to escape.

Mr. Cassidy: Mr. Speaker, it should be very clear that it is the responsibility of this government and the Ministry of Energy to intercede on behalf of the people in Ontario who need home heating oil. They can't just pass the buck, saying it's up to the multinational oil companies or the federal Minister of Energy, Mines and Resources or anybody else. It's the responsibility of this government to have accurate information and it doesn't have it, to convey that information to the public and it has not done that, to put programs of conservation into place across this province to make sure we use less energy and use it more efficiently and it has not done that, and to intercede to get the establishment of the Energy Supplies Allocation Board's first phase of allocation if we need it and it hasn't done that.

The minister got up and had the barefaced effrontery to tell this House he didn't see why this debate was required at all. If he felt that way, he should have opposed the debate and had his party oppose the debate. Obviously they are on thin ice, because they agreed to the debate in the end.

If you just read tonight's paper: Imperial Oil Limited is "plagued with worldwide supply troubles stemming from the Iranian situation" and the Venezuelan situation and Imperial Oil is worried here in Canada; Gulf Canada is waging "a constant battle," it tells the Toronto Star, in order to maintain supplies for the Montreal East refinery and the refinery in Point Tupper, Nova Scotia; Shell Canada expects to face major shortages in 1981 at its Montreal refinery because its contracts with Venezuela are running out. In addition to what the Prime Minister of Canada had to say in Parliament yesterday, there are so many signs of impending crisis that I find it unbelievable that the Minister of Energy of this province can blinker himself and say there is no problem.

The member for Carleton East, our Energy critic—and give her credit—has told of the difficulties she faced in getting information from the National Energy Board. If a member of this Legislature and one as determined as that member, a person who happens to divide her time between Ottawa and Toronto, has that difficulty getting information, and if it arrives eventually with a mistyped heading and is inaccurate information to boot, then what on earth are the heating consumers of this province to do? What kind of information are they to get? What about small businesses or anybody else?

The ministry doesn't have that information. It relies on the federal government and the National Energy Board and I say that's irresponsible. Perhaps the ministry has the information and won't give it out to the public of this province; that's irresponsible too. In fact, the minister's activity from beginning to end has been totally irresponsible, because he and the government have been trying to pretend there is no problem and that pretense has gone on right up until today.

Back in July I held a press conference and said that if we got through this winter it would be a matter of luck, the way we were going. Nothing has changed since then. In the Legislature we have repeatedly asked the minister what is going on and these are the answers we have had.

On October 11, the minister said the situation would be "tight, but manageable." This in the face of school boards not getting their regular suppliers to bid any more.

On October 12, the minister said, "We are in a satisfactory position as far as the current season is concerned."

On October 15, the minister said, "The situation in usual circumstances will be manageable."

On November 5, in reply to another question, the minister said, "Certainly I have seen nothing nor have I received any indication from any other source that would change the assessment which I have shared with the House earlier."

On November 8, the minister said, quite simply: "There is sufficient oil for the winter of 1979-80 available from Canadian supplies, foreign imports and some drawdown of inventory. The prospect for the winter remains tight, but manageable."

On November 30, the minister spoke of his meetings with the oil companies, and said, "They certainly plan to honour all contracts which they have currently with individuals and with companies."

The day before yesterday, in the Legislature, in response to the member for Carleton East, the minister said: "We have responded on the basis of the information which has been made available to us . . . I have always wanted to share information." He indicated once again everything was going to be all right.

In that case, why can't this minister explain to us the fact that the net exports of middle distillates have gone up by one million cubic metres in the first 10 months of this year, by five million barrels, by about 180 million gallons? Surely if that oil had been kept in this country, as the minister now says he was telling the government, we wouldn't have shortages in our stock creating an impending crisis in heating oil this very winter.

Why is it a member, the parliamentary assistant to the Minister of Energy, can get up and say, "That's just an offset deal," when in fact our foreign feedstock imports into this country are also down by 2.3 million cubic metres over the course of the first nine or 10 months of this year?

Why did it take this particular debate to smoke out the Minister of Energy, who suddenly reveals himself as a defender of the consumers of Ontario and itemizes for us a long list of representations made to the federal government over the period of the last six to eight months?

I don't believe it, Mr. Speaker. What I heard the Minister of Energy say was the parliamentary assistant opposed the energy allocation bill and said it should not be enacted, it was intolerable legislation. I didn't hear this ministry saying publicly they wanted that technical committee to be created. I didn't hear this ministry saying publicly they wanted that information to be available to the public. I heard that ministry covering up, while the National Energy Board and the federal government were busily cooking the books to keep the real picture away from the people of this province and the people of this country. That's what was happening.

We're not getting explanations. The minister has gone to the length of disowning the Prime Minister of Canada, a man of his own party, and saying Joe Clark doesn't know what he is talking about. We have evidence that has happened in the past. But this time around, the minister says as well, he does not have confidence in the information he is getting from the National Energy Board. What is the real picture? We don't know.

In the absence of knowledge and bearing in mind it will take approximately 60 days for the Energy Supplies Allocation Board to actually put its plans into effect in order to ensure an effective, fair and equitable program of allocation is in place, it seems to me there may well be an almost indisputable case for the Energy Supplies Allocation Board to move into its first stage and start allocating oil to the refineries.

I would point out to the Minister of Energy that in eastern Canada over the first 10 months of this year the demand for oil and oil products has gone up by only 1.6 per cent, whereas in western Canada is has gone up over the same period of time by 7.9 per cent. The people in eastern Canada, including Ontario, are being responsible in their use of energy and in its conservation, but I suspect that's not the case in western Canada.

I don't want to see a situation where people in this province or in the Atlantic provinces are made to suffer and freeze over the course of this winter because of irresponsible use of petroleum resources in western Canada. The way to ensure that doesn't happen is to have an equitable allocation so petroleum resources are shared equitably, and if there are shortages the hardships are shared equitably as well. This minister is not prepared to say that; he simply says the assurances are fine and there is no problem.

What's happening now in Ottawa is that Mr. Hnatyshyn and the government realize the Prime Minister boobed. The program of public relations flim-flammery to persuade the public there is no problem goes on. Mr. Hnatyshyn now says he hasn't seen any particular problems, even though he admits the supply/demand situation has tightened in recent weeks. They are distancing themselves from the Prime Minister of Canada up in Ottawa, and the minister responsible to energy consumers in this province has also been joining in that particular program.

Let me read what the telegram said: "A media release will again stress obvious need to curb consumption and will properly caution against alarm." For God's sake, Mr. Speaker, if we're going to have a problem in this area perhaps it's time for some alarm; perhaps it's time for some action; perhaps it's time for this government to say, not privately behind closed doors but publicly, that the allocation board has to go into operation, that we have to have an assurance that these supplies will be dealt with equitably. Perhaps it's time as well for this government to stop making public relations pronouncements about the need for conservation—

Mr. Speaker: The honourable member's time has expired.

Mr. Cassidy: —pronouncements which are not backed by action.

We've talked about action. We've talked about spending $200 million from Hydro's budget for conservation rather than the $16 million which is all this government is prepared to spend. We want to see action from this government. We want to see public

pressure in Ottawa, and above all we want the accurate information so the people of this province—

Mr. Speaker: Order.

Mr. Cassidy: —and the Legislature can judge what's going on.

Hon. Mr. Grossman: Mr. Speaker, we're dealing in an area today which puts a very special onus on legislators, people in the private sector, people in the academic world, economists—everyone—to be properly concerned about the energy crisis and to express their concern, but to be realistic, honest, straightforward, direct and objective about the crisis.

Mr. Martel: Those are all Joe Clark's qualities.

Hon. Mr. Grossman: Quite right. We're here today simply because of some remarks made yesterday by the Prime Minister of Canada which caused the energy critic for the NDP to decide suddenly, today, it was necessary to have an emergency debate.

Mr. Martel: That's what the Prime Minister said last night, don't turn it around.

Hon. Mr. Grossman: I must say, Mr. Speaker, the leader of the third party went overtime on his remarks and now his party is interjecting at every turn.

Mr. McClellan: Poor baby.

Mr. Martel: Would you take a soother?

Mr. Speaker: Order. Every member has a right to speak and a right to be heard.

Mr. Martel: I want to hear what is said.

Hon. Mr. Grossman: No, the member doesn't want to hear what I'm saying. What the members have been proving in the last couple of hours, and are proving as I speak now, is that they are more interested in trying to show the public that there is an oil crisis, that there is an energy crisis, than in spending one shred of one minute this afternoon talking about the things they might recommend this government do in the event there is an oil and energy crisis.

Mr. Martel: You weren't around to hear it.

Hon. Mr. Grossman: I was here listening to it. The third party did not spend one minute talking about what they would recommend be done in the next couple of weeks in the event there is a crisis. They are sitting and hoping a crisis does develop so they can try and throw the blame on one provincial government in this country. This is a matter of some serious concern.

Mr. Cassidy: On a point of privilege.

Mr. Speaker: I have heard nothing which would constitute a point of privilege or a point of order.

Hon. Mr. Grossman: The fact is the member for Nickel Belt (Mr. Laughren) spoke earlier about the need to understand the psychology of security of supply. This is exactly what concerns me about the debate this afternoon. As we saw earlier this year, the moment there was a problem, the moment there was a—

Mr. Roy: Can I get a copy of your speech?

Hon. Mr. Grossman: The member can read it in court on Monday morning.

[5:45]

Earlier this year in California there was a situation in which there was a perceived, or perhaps real, energy crisis. What happened because of the reaction there impacted on our tourist industry in Ontario.

How? It caused thousands of people in California to rush out and respond to the talk and the psychology of a shortage by transferring massive amounts of gasoline from the oil pumps and the gasoline pumps into the tanks in their cars. That created a situation which totally distorted the real energy supply problem and the realities of the allocation of gasoline in that state, and literally throughout the United States.

What happened as a result of that was that in the few months following it was difficult, if not impossible, to get the message back out across the United States that the energy crisis had, for that period of time, disappeared.

Our tourist industry in this province was affected right into September, at least up to August of this year, though by then the situation was improving. Most of the gasoline lineups, most of the allocation situations in the United States, had passed. Gasoline was available by August, but none the less we found a situation where US tourism to Canada was down four and a half per cent, and to our province down by 2.2 per cent.

By September, partly on account of our gasoline hotline I might add, tourism had recovered. Interestingly, tourism from the United States recovered only two per cent nationally but six per cent for this province in September of this year. In October it again improved six per cent.

The point is that energy scares such as have been going on this afternoon in the face of the information given by the Minister of Energy, have long and far-reaching impact. For the member for Nickel Belt to express concern about the psychology of security of supply and then to have his party—though his party doesn't have a tourism critic—spend all afternoon today trying to raise the spectre of an energy crisis for the industries and the

tourists we try to attract to this part of the province is irresponsible. In that context their continuing cry about a real energy crisis is irresponsible. It is an attempt to move a very sensitive item into the political arena and to do so in the context and riding on the back of our tourist industry, as one example.

Let us not fool ourselves. Studies in the United States have confirmed that the appearance and image of anticipated shortages have dramatic impact.

Studies in the United States have proved anticipated shortages of fuel decrease vacation travel. Studies show if gasoline is rationed there will be a tendency for potential travellers to use their allocation for work-associated travel rather than leisure travel.

I say to the opposition, it shows if people are uncertain about the availability of gasoline they will be more inclined to take fewer trips, select destinations closer to home and stay longer at those destinations. I say to the member for Victoria-Haliburton (Mr. Eakins) his party has been front and centre all afternoon in trying to raise the spectre of an energy crisis, yet there he was a week or so ago in my estimates saying we are going to be in serious trouble if there isn't some rational thinking going on in terms of the whole availability of energy situation.

That's precisely the point, and we have to be objective. I say to his colleagues if they were as calm and as reasoned today as the member for Victoria-Haliburton was last week, then they wouldn't have undone all the good he has been trying to do, and he has been doing over the last few weeks in bringing a rational view to the impact on the tourist industry of this afternoon's discussion. I find it interesting to hear the opposition. The opposition wants to raise the spectre of an oil crisis.

Mr. Martel: What about Joe Clark? Tell us about Joe Clark.

Hon. Mr. Grossman: I am going to tell you about Joe.

Mr. Martel: Tell us about the dummy who made the statement last night in Ottawa.

Hon. Mr. Grossman: Why didn't you say it before your leader left the House?

The entire point of this is that the opposition wants to suddenly suggest, as I heard the leader of the third party say, that the federal government should have appointed the members to the allocation board. They weren't saying it six months ago, but because Joe Clarke said last night there may be a problem, today the member for Carleton East (Ms. Gigantes) has decided we had better appoint the members to the allocation board.

Meanwhile, over the last series of months, our Ministers of Energy have been the only ones in this country who have consistently been seeking the information from the federal government, they have been the only Ministers of Energy who have been meeting with the oil companies to ascertain the realities of the situation. Our Ministers of Energy did not sit back, as did the third party in particular, and wait for the sermon from the mount last night in Ottawa to decide suddenly that we had to spend all day today raising the spectre of shortages to our American tourists and to those industries which the member for Nickel Belt today decides he wants to attract to this province by showing concern about the psychology of security of supply.

I want to say that unless the opposition wants, or is able to stand up and suggest this government has let the public down in some sense and that we could now do something to—

Mr. Conway: Build some transmission lines into the national capital.

Hon. Mr. Grossman: I was here listening; the honourable member didn't have one suggestion. Frankly I expected his leader, who spent all of his time in partisan remarks, to suggest we—

Mr. Speaker: The honourable member's time has expired.

Hon. Mr. Grossman: Mr. Speaker, in the last five minutes I am confident we will hear the next speaker for the opposition give us some constructive suggestions about what will happen if their fondest wishes of an oil strike come true. They will tell us how, in the context of our national responsibility, Ontario can respond. They haven't to date.

Mr. McGuigan: Mr. Speaker, I rise with pleasure to take part in this debate. However, I am afraid I am going to disappoint the last speaker in dreaming up a false crisis. I just don't know how members opposite can say there is no crisis when they read the newspapers and realize what is happening in one part of this world.

Hon. Mr. Grossman: Which edition are you reading?

Mr. McGuigan: All the papers. When one reads that 600 million people have upset the balance of power in this world and have the Middle East, where so much of our present oil sources are, on the verge of revolution and possibly a third world war—thank goodness we have a reasonable man

at the head of government in the United States who has been able to avert this.

Interjection.

Mr. McGuigan: Yes, I am a supporter of Carter. I don't see how you can say there is no crisis. If that is the case, how is it the federal minister told this government to stop its energy advertising program in the United States? The minister curtailed Industry and Tourism advertising last summer.

Hon. Mr. Grossman: That shows how responsible we were.

Mr. McGuigan: But he didn't mention it in his speech, did he?

It's in the record; members can read it. The federal minister told the Ontario minister to stop the advertising.

Hon. Mr. Grossman: We acted responsibly. That is a good example of how we worried about oil supplies.

Mr. McGuigan: So there is no crisis?

I am not going to spend my time arguing with the minister. I want to speak on behalf of those people in the farming industry in southwestern Ontario who are absolutely dependent on liquid fuel. They can't plug their tractors into hydro outlets, nor can they hook up a long hose to a natural gas line to power their vehicles.

When this crunch comes, and we have every indication that it will, if there is any sort of a supply problem this winter the person who will lose will be the farmer next spring when he goes for his diesel supplies, because diesel and home heating oil supplies are interchangeable. When we hit that spring plowing period we have to have those supplies there.

It is also to the benefit of every consumer in Canada and those abroad whom we supply with so much of our food. Just to give members an example of how dependent we are on liquid fuel, back in 1940 it took about five calories of fossil fuel to produce a calorie of food on the dinner table. Today, because of our advanced mechanization and our move to greater advanced farming systems, it now takes nine calories of fossil fuel to produce one calorie of food on the table.

That is how dependent we are today on fossil fuel. If there are any problems next spring it's going to show up in that area. I just wish to emphasize that point. I am sure the minister understands what I am talking about.

Interjections.

Mr. Speaker: Order. You are denying your own colleague the right to be heard.

Mr. McGuigan: There is a great deal this government can do for us by encouraging the consumption of locally produced foods. This Ministry of Agriculture and Food has has not done the job of producing proper information on nutrition and the use of our own foods in the fresh form, rather than in the highly processed form which is so energy consumptive.

Mr. Speaker: The honourable member has about a half a minute.

Mr. McGuigan: There are many things that can be done. One of the areas is in the preservation of prime farm land. Yield from number 1 land is taken at a 100 units, number 2 land is 80 units, and if we take number 3 land it's down to 64 units; yet, we have the Minister of Agriculture and Food (Mr. Henderson) failing to back up his own food guidelines which call for the preservation of farm land. I am not arguing we should be having an absolute law that says one can't use farm lands in a flexible manner, I am in favour of the guidelines.

Mr. Speaker: The honourable member's time has expired. The time allocated to this debate has elapsed.

The House recessed at 6 p.m.

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No. 129

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Thursday, December 6, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

STANDING RESOURCES DEVELOPMENT COMMITTEE

Motion for adoption of parts three and four of the final report of the standing resources development committee on acidic precipitation, abatement of emissions from the International Nickel Company operations at Sudbury, pollution control in the pulp and paper industry and pollution abatement at the Reed Paper mill in Dryden.

Hon. Mr. Gregory: Mr. Speaker, may I advise the House of an agreement which the House leaders would propose for the conduct of the debate this evening? If it is agreeable to the House, sir. I would ask that this be made an order of the House for this evening.

The time between the start of the debate and 10:15 is to be divided equally between the three parties in the House. The clerk shall keep a record of the time used, and at the conclusion of each party's time the Speaker will no longer recognize members from that caucus.

At 10:15 the debate will end and the question will be put.

May I ask if there is unanimous consent for this arrangement?

Some hon. members: Agreed.

Mr. Lane: Mr. Speaker, I would like to make a few brief remarks about what the committee found out as a result of the study of the Reed situation in Dryden and about the pulp and paper industry in general. I think it was a real learning experience for the members of the committee who were able to make the trip to Dryden. I know it was for me. I noticed when we came back that the committee members had a different type of feeling for the one-industry towns in northern Ontario than had been shown before we went to inspect the situation in Dryden. So I think the trip to Dryden for the committee members was really a very important part of that study.

We learned a few interesting facts in looking at the pulp and paper industry across the province. Apparently there are 31 pulp and paper mills discharging waste directly into Ontario waters. That's a pretty large number. Yet if we look a little further down the line, we find Ontario pulp and paper companies have spent $202 million in pollution abatement and related modernization efforts in the last 10 years. That's a fair bit of cash in anybody's language.

We also found that abatement and modernization do not always require repeat investments. In other words, we often find that by modernizing a paper mill we have solved the pollution problem. This is good to hear, because many of our paper mills are outdated; if we bring them up to date, we are going to get rid of the pollution causing the problems throughout the province today.

It is interesting to note that in 1978 a report from the Ministry of Natural Resources stated about half of the pollution abatement investment yielded modernization and productivity and, as a result, environmental benefits. This proves what I was saying. It also goes on to say that in the next five years there is going to be a requirement for $1.2 billion to be spent in that industry to update and modernize it.

The government policy towards the pulp and paper industry, as stated by the Ministry of Environment, is that this industry must treat the environment so its operations no longer cause damage, nuisance or loss of amenities to the neighbouring communities.

The Environmental Protection Act states clearly that no person shall deposit any contaminant into a natural environment that causes or is likely to cause impairment of that environment. The Ontario Water Resources Act states that any person who deposits any material in any place that may impair the quality of the water is guilty of an offence. Unfortunately, this law and policy has proven difficult to enforce in respect of the pulp and paper industry because of the fear of economic repercussions if the companies choose to close down their operations rather than put in the required pollution abatement controls. So it has been a little difficult to enforce this particular part of the Environmental Protection Act.

This latter problem was addressed by the new assistance program announced by the Treasurer of Ontario (Mr. F. S. Miller). The

new grant program is known sometimes as the Miller plan or the Employment Development Fund. Over the next five years, this financial assistance to the pulp and paper industry will be pretty extensive. The money is to modernize and for pollution abatement methods that will improve the viability and quality of life in northern Ontario communities.

I would just like to take this opportunity to congratulate the Ontario government, of which I am very proud to be a member. This is a program that was needed. It is a good program, and if it is properly applied I think it will really help solve our pollution problems throughout Ontario and continue to keep people employed in areas. One-industry towns like Dryden would be ghost towns if that industry were closed down.

At this time I would like to make reference to a dialogue in the House on Friday, November 30. The Minister of Industry and Tourism (Mr. Grossman) said—I'm quoting from Hansard:

"In Espanola, on Wednesday of this week, I officially presented E. B. Eddy Company with a cheque for $16,667,000, drawn from the Employment Development Fund allocation as an incentive towards the company's expenditures of $225 million on its facilities at Espanola and Ottawa over the next five years."

Hansard goes on to record that the Leader of the Opposition (Mr. S. Smith) said, "As an award for their excellent performance."

The minister replied: "Maybe the Leader of the Opposition wouldn't have helped the company. We thought Espanola was good enough to save; he did not. I'm glad the Leader of the Opposition got it on the record that he wouldn't have helped the company.

"Mr. S. Smith: Absolutely right. Their record doesn't deserve it, and you know it."

I am glad we live in a country where we have the right to think and say what we want to say and think what we want to think. Certainly the Leader of the Opposition had the right to say what he thought about E. B. Eddy and all the good people of Espanola or the town of Espanola. But I think, in all fairness, he should have had some knowledge of the situation of which he spoke.

In the eight years that I have represented the great riding of Algoma-Manitoulin, I worked very closely with the company and the town officials to make sure Espanola didn't become another one of those ghost towns we know so much about in northern Ontario. Apparently this possibility doesn't cause the Leader of the Opposition any concern.

I would point out that E. B. Eddy is and has been a good citizen of this province and of the town of Espanola. I would point out that the plant in Espanola is a very old plant; it was run into the ground by two previous owners. Since E. B. Eddy acquired that plant, it has done a good job, not only of controlling today's pollution, but also of cleaning up the mess left by the former owners of the plant. It has really gone down the road a long way in cleaning up the mess left by the former owners.

I strongly disagree with the Leader of the Opposition. I think E. B. Eddy has been able to show, in no uncertain terms, that it does qualify for the Employment Development Fund grant it received on November 28. As a result of that grant and the $200 million being put up by the company, the good people of Espanola can now be assured and have the peace of mind that their jobs are secure for a good many years to come and that the town can and will continue to grow.

I just don't understand why the Leader of the Opposition wished to put a smear against the company and the town on the official record. I really can't understand that, Mr. Speaker, but that's his privilege and I just want to clear the record.

Mr. Gaunt: Mr. Speaker, I want to make a few comments with respect to this report. I want to tell you, sir, I'm not going to be dealing with Reed, because I think that part of the report is really redundant. After all, Reed now has been sold to Great Lakes, and we have an entirely different situation up at Dryden. I don't want to spend any time discussing that particular matter, because I don't think the situations described in the report now apply.

I'm going to deal in general terms with the pulp and paper industry as such and once again set out the government's lack of success in controlling pollution in terms of its total pollution abatement programs as they relate to the pulp and paper industry over the years. Since about 1965 the government has had almost a total failure in many respects with regard to controlling pollution in the pulp and paper industry.

Pollution abatement objectives relating to the pulp and paper industry were set by the province in 1965. The objectives, which were to protect potable water supplies, recreational uses, aquatic life and aesthetics, were to be met in 1969. In 1976, the authors of a major Ministry of the Environment study on the pulp and paper pollution abatement program reported that only six of the 31

mills had reduced their pollutant discharges sufficiently to meet the objective for the maximum suspended solids, and only three complied with the objective concerning biological oxygen demand.

Between 1970 and 1978, for the industry as a whole, suspended solid discharges were reduced by 64 per cent and BOD by 38 per cent. By comparison, United States mills in the Great Lakes basin reduced their suspended solid discharges by 82 per cent and BOD by 84 per cent between 1967 and 1977. In comparative terms, our record during that particular period was not so good.

Six Ontario mills now discharge higher BOD levels than they did in 1970: Abitibi in Fort William and Sturgeon Falls, American Can in Marathon, Kimberly-Clark at Terrace Bay, Boise Cascade in Fort Frances, and what was Reed Paper in Dryden.

Three mills were discharging more suspended solids in 1978 than in 1970: Canadian International Paper in Hawkesbury, Kimberly-Clark in Terrace Bay, and Boise Cascade in Fort Frances. Despite some improvements, five mills still emit more than 45 tons per day of BOD into their watercourses.

Over the years, the Ministry of the Environment has failed badly in terms of abating pollution in the pulp and paper industry generally. It seems to me that in many respects the Ministry of the Environment, particularly from 1970 on, could be called, as it applies to the pulp and paper industry, the Ministry of Pollution, because it hasn't had any great success in cleaning up pollution in that industry.

When one comes to the matter of enforcement and the ministry's success with regard to prosecutions, perhaps this points up why the ministry hasn't had the kind of success in abating pollution in the pulp and paper industry which one would expect over the course of about 18 years.

[8:15]

In the last five years, the ministry has won four convictions on pollution offences by the pulp and paper industry. Canadian International Paper Company was convicted in November 1974 and fined $2,000. The Ontario-Minnesota Pulp and Paper Company Limited was convicted and fined $2,000 in 1974. American Can of Canada Limited, which interestingly enough was charged under federal legislation—there has been more success under federal legislation—was convicted on a number of counts in April 1977 and fined $64,000. Reed Paper Limited was convicted on a number of counts and fined $5,000 in 1977.

The ministry has had some difficulty with its prosecutions. Over the years the ministry has tended to look at prosecutions as a last resort, not only in the pulp and paper industry but also generally. They would try to negotiate, to work it out, to push, pull and tug to get industry to comply in one fashion or another. When everything else failed, the ministry would take them to court. For that reason, the ministry has had limited success in this respect. For some reason or other, they feel a little squeamish about taking companies to court, and they haven't met with any great success in this area.

There are a number of things the ministry can do with respect to cleaning up this industry. I acknowledge that my friend for Algoma-Manitoulin made a point in discussing the Treasurer's Employment Development Fund, how it will apply to the pulp and paper industry and what it will do for that industry in terms of modernization and abatement equipment.

Mr. Eakins: But none for the small industries.

Mr. Gaunt: With none for the small industries, as my friend for Victoria-Haliburton has suggested. That's true. The money is being made available to the larger companies. I suppose one can argue they are the bigger polluters, and that's true. None the less, the program is there; it is available to the pulp and paper companies, and I am sure they will make use of it. I think several companies already have.

One thing concerns me. We have talked about it many times, and I am going to mention it again tonight. A speech with respect to the pulp and paper industry wouldn't be complete without mentioning some serious concerns about the flexible guideline approach the ministry takes in its enforcement policy.

I understand we are going to have a complete statement from the minister some time in the near future concerning that enforcement policy. But it has come under a lot of scrutiny and, in some cases, attack. In many respects, it hasn't served us well in cleaning up the pollution in the pulp and paper and other industries.

The minister has argued in defence of that particular approach that the ministry has to have flexibility or some room to manoeuvre in terms of trying to tailor its approach to the varying circumstances of varying industries across this province. For that reason it needs a flexible guideline approach, rather than coming in with mandatory standards, which the ministry argues would reduce its flexibility in environmental protection efforts.

I'm not so sure that's true. It may have been valid at one time, but I think we have now reached the point of some maturity in terms of setting standards for various industries. We have more knowledge. We have more experience. We have more background to deal with these problems. That being the case, I suggest it's time we took a very serious look at setting mandatory standards in terms of what is allowed as a minimum level of water quality within a river as a whole or within a water body as a whole.

I know the International Joint Commission has expressed a similar view. They have indicated that in their opinion the adoption of ambient water quality standards would be the route to go at this time, because it gives an enforcement body a better handle on cleaning up and dealing with a particular polluter emitting a particular kind of pollutant into a river or water body. The ministry should take a look at that.

I think I'm safe in saying that, in the United States, most of the jurisdictions adopt the ambient water quality standards rather than the guideline approach. I think I'm right in stating that. They've had better success than we've had, particularly in the pulp and paper industry, in cleaning up some of their watercourses.

We're at a point now where we are in a position to adopt this route and go with this method in coping with our environmental pollution problems in so far as the pulp and paper industry and a number of other industries are concerned.

Hon. Mr. Parrott: Do you think we should riddle our program with exemptions?

Mr. Gaunt: No, I don't think we should riddle our program with exemptions.

Hon. Mr. Parrott: They do.

Mr. Gaunt: They do. Yes, that's true. The minister is correct. There are certain exemptions built into some of their programs in the United States. But one has to look at the overall record of achievement in this industry. We're talking about this industry tonight. We can talk about the others at some other time.

In so far as the pulp and paper industry is concerned, the United States has, on paper, a better record in cleanup than we do.

Hon. Mr. Parrott: We're better in others.

Mr. Gaunt: I'll give the minister some credit in that. In some respects Ontario is better. But I don't see why Ontario, the leader in everything, should be satisfied with a mediocre performance. We could move in and do a good job in both aspects of pollution control, not only in air pollution, but also in water pollution. The minister should consider this. I know he has given it some thought. He is a thoughtful chap when he's standing by the chair doing a little drilling. I'm prepared to accept that he thinks these things through in a very deliberate way.

Hon. Mr. Parrott: On a point of privilege or order, Mr. Speaker—

Mr. Eakins: Did he hit a nerve?

Mr. Deputy Speaker: What in the world could be out of order?

Hon. Mr. Parrott: May I put the case? I have given up drilling for twisting. It's wirebending. I want the record to be clear on that.

Mr. Gaunt: I'm glad the minister put that on the record, so we can be assured that his total and full effort is devoted to the cleanup of this province in one way or another.

In concluding, I want to say that the committee has made a number of good recommendations. I know the minister has taken the work of the committee seriously. I know he realizes the committee put a lot of thought, work and deliberation into its hearings and the writing of the report. I hope we can all better ourselves and our positions in terms of pollution abatement in this province because of it.

Ms. Bryden: Mr. Speaker, when the Minister of the Environment referred the question of pollution control measures imposed on the pulp and paper industry to the resources development committee a year ago, we were not sure whether he was trying to avoid embarrassing questions in the House about the enforcement of control orders on this industry; whether he was planning to throw, to the committee, the hot potato of a new control order on the notorious Reed operation at Dryden and escape his responsibilities for dealing with that long-delayed cleanup; or whether he wanted some advice on policy direction.

At any rate, the committee took the latter as its mandate and did a very thorough study of the control order process. It tried also to find out who was responsible for the very dismal record in reducing pollution from the pulp and paper industry.

As my colleague from Huron-Bruce (Mr. Gaunt) has mentioned, in 1965 the government set pollution abatement objectives for the industry, to be attained by 1969. However, a 1976 report of the ministry showed that only three of 31 mills had met the suspended solid standards, and only six had met the biological oxygen demand objec-

tives. Since 1976, some mills have actually increased their loadings.

If we compare 1978 figures with the average figures for the first 10 months of 1979, we find that nine of 31 mills had significantly increased their BOD loadings and six had higher suspended solids in 1979.

The industy remains the largest polluter in the province. Even the present Minister of the Environment (Mr. Parrott) admitted to the committee that "this industry has, in general, done less than any other major industry in the province to control the pollution it inflicts on the environment."

[8:30]

The recent report of the International Joint Commission entitled Major Municipal and Industrial Point Source Dischargers in the Great Lakes, a report which was issued in July 1979, showed that in 1978 Ontario was way behind the United States in cleaning up industrial pollution.

Almost half of the 96 Ontario industries studied were not in compliance with pollution abatement requirements. On the US side, only 24 per cent of industrial companies studied were not in compliance. Among the plants failing to meet requirements were a considerable number of pulp and paper mills: American Can at Marathon; Great Lakes Paper at Thunder Bay; Abitibi at Sault Ste. Marie, Thorold and Thunder Bay; Eddy Forest Products at Espanola; and Ontario Paper at St. Catharines.

Whose fault is this failure to clean up our lakes? We seem to have had what might be described as a long love affair between the pulp and paper industry and the Ministry of the Environment over the past decade and a half. The principle that the polluter must pay has been largely ignored. The public has paid with the degradation of its environment.

Weak control orders were placed on the mills, or control orders were not enforced. The industry enjoyed immunity from prosecution as long as a control order or program approval for abatement was in place.

The governments of both Ontario and Canada offered a package of both positive and negative abatement incentives for pollution abatement, but the package does not seem to have been effective in making the companies choose abatement investments over other investments.

The resources development committee examined the whole process of setting control orders to see how the standards and deadlines were arrived at. It made a considerable number of recommendations for changing the policies for setting standards and deadlines and for enforcement. Among these proposals were a large number of suggestions for opening up the system to permit public input into the setting of standards and deadlines.

I am glad to say the minister has accepted a few of these proposals. He has been won over to the importance of public input on extensions of control orders. But why limit it to extensions? Why not have public input on all notices of intent, certificates of approval and program proposals?

The Conservative members on the committee dissented from the committee's recommendation that all these instruments should be subject to public input and possible public hearings. Perhaps this is why the minister is only going part way on this recommendation. But if the members on the opposite side vote for the report tonight, they are, in effect, repudiating their dissent.

Hon. Mr. Parrott: That doesn't work.

Ms. Bryden: The minister can vote either "yes" or "no." He can't vote "yes, partly" or "no partly."

Mr. Lane: That is all you have been doing all the time in here.

Ms. Bryden: As I have said many times, public input will not be balanced unless there is some public funding to ensure that all points of view are adequately presented.

Once again, there was a Conservative dissent on the recommendation of the committee that there should be some public support or consideration of public funding. In June 1978, I moved a motion in the House calling for public funding on all environmental hearings under any environmental act, and this motion was not voted on because the Conservatives blocked it. Perhaps that is why we are not making any progress in that field.

The company also sought to end what appears to be a rather cosy relationship between the ministry and the companies when they negotiate a control order and the standards and deadlines in the order. The committee suggested there should be independent evaluation of the cost estimates put out and the technological proposals of the companies. The failure of the ministry to do this for Reed Paper left the committee with no means to sort out the conflicting assertions of Reed and the ministry on realizable deadlines.

There are technical experts who have told me the whole abatement approach of the Reed company and of other companies in the province should be questioned. Are they

following the best technology for reduction of effluents and reduction of pollutants? These experts have told me it is more sensible to try to reduce the amount of the effluent at source by developing closed-cycle operations rather than trying to remove the suspended solids and other pollutants from a large volume of effluent at the end of the pipe. The ministry should be studying this criticism of the technology in use and hiring independent experts to develop the best technology for pollution abatement.

Perhaps the only way to force the ministry to look at the alternatives is to make it possible for groups to take companies to court on the effects of their effluents on our common environment since, under the present law, the companies are immune from prosecution while they are carrying out what they consider to be the best technology for producing abatement.

I should report, the committee recommended that the immunity clauses in both the Environmental Protection Act and in the Ontario Water Resources Act should be removed so companies could be prosecuted for degrading the environment while a control order was going on. I am sure a judge would not carry out a conviction if they were in a process and appeared to be unable to move any faster. But it is quite conceivable they are not actually carrying that out and are just waiting for the control order deadline to expire. This is a recommendation the committee passed but, again, there was a Conservative dissent on removing that immunity. I don't know how they are going to handle this if they vote for the report tonight, because the committee did recommend the immunity clauses be struck out.

Not only have we seen very little movement on the recommendation for independent evaluation of company claims, but also the ministry has tossed out a very useful tool for evaluating such claims. The ministry had developed a computer program for a rapid comparison of the cost-benefit effectiveness of alternative abatement options for pulp and paper mills but, with the restraint program, that went down the drain—or, should I say, down the river. I suggest this is pound-foolishness. The committee saw that this might be a profit-making operation, since the computer technique possibly could be sold to other provinces and countries which wished to evaluate abatement programs.

The committee noted enforcement had been very weak and fines had been low. It asked for a beefing-up of the law in these areas. It also asked the minister to produce a statement of enforcement policy as part of his presentation to the resources development committee at the opening of the Ministry of the Environment estimates review.

I do not recall such a statement being presented to us this year, and the estimates were up since the committee reported. I am still looking for such a statement; it would be very useful as an indication of whether we do need legislative changes to improve enforcement practices. I am sure members on this side of the House would be very glad to vote for such legislation as soon as it was introduced.

The committee also dealt with the question of financial aid to the pulp and paper industry, which one of my colleagues will be discussing at more length. They did recommend that, if financial aid is given to assist a company with installing pollution control equipment, there must be a return on the investment to the people of Ontario.

We know that the Employment Development Fund, set up this year, has already handed out more than $100 million to the pulp and paper industry. We have yet to see anything that could be called return on investment in the terms of the agreement.

Hon. Mr. Parrott: It's not like making coffee. You don't have an instant response to it; it takes more than a day or two.

Ms. Bryden: I agree, but I could see it if the agreements had said there would be a percentage of the shares provided in return for the investment. That is the sort of return that should be considered. When we asked the Minister of Industry and Tourism (Mr. Grossman) about this, he simply produced some dreamed-up figures on the total potential taxes from potential new employees and from potential new business—it's all very potential.

Hon. Mr. Parrott: A lot of benefits for people working.

Ms. Bryden: I'd like to move on to the question of the Reed mill at Dryden and the abatement control there.

First, I would like to say that I think the minister abused the committee system by asking the committee to make recommendations on the details and dealings in a proposed control order on Reed. As our group in the committee stated, we feel the role of the committee is to discuss and advise on general policy on control orders, but not on individual orders. For one thing, there are far too many orders to refer all of them to a standing committee of the Legislature.

I should also point out that a standing committee, such as the resources development committee, consists of 16 members and

does not have research staff, legal counsel or technical staff; nor does it have the time to go into all the details of each control order, or to hold prolonged sittings in the community concerned. It cannot evaluate conflicting claims from the company and from the ministry officials without having staff, experts, time and the opportunity to hear what the various points of view about the issue are in the community.

If the minister thinks that throwing the proposed Reed control order in the lap of the committee is a means of increasing public input—which I and my colleagues have been asking for—he is gravely mistaken as to what constitutes public input.

Hon. Mr. Parrott: I promise not to do it again.

[8:45]

Ms. Bryden: Public input to me means hearings by an independent board such as a panel of the Environmental Assessment Board held in the community concerned and open to individual citizens, organized groups, trade unions, companies—anybody who wishes to comment on the proposal. Of course there must be adequate public funding, as I mentioned, for public interest groups so it is not a David-and-Goliath encounter and all viewpoints are adequately represented.

I hope the minister will make it possible for proper public hearings to be held on all proposed control orders in the future, as well as on extensions he is now holding public meetings on. I don't know whether the public meetings could be considered full public hearings, because they are usually sort of a one-evening affair. But we should be considering the possibility of full public hearings on all environmental instruments, including the setting of standards.

As the member for Huron-Bruce (Mr. Gaunt) mentioned, events have nullified the work of the committee over the last six months on the Reed control order. It is unfortunate we spent that much time and then the company was sold. However, the sale of the Dryden plant to Great Lakes Forest Products last month has not removed the need for cleaning up the English-Wabigoon river system.

We will be expecting the minister to impose a new control order on Great Lakes Paper with a tight timetable and a deadline we hope will be earlier than the deadline Reed Paper was asking for of 1985. Perhaps this time the minister will ask a panel of the Environmental Assessment Board to hold hearings on the matter in Dryden before he places the order. Then we will be sure, not only that the order is based on the best available technology and information, but also that all parts of the equation are taken into consideration.

There are three essential factors in determining the proper abatement program for any given mill. First, the environmental cleanup and prevention of further degradation; second, the future of the industry, particularly the future of one-industry towns such as Dryden; and third, the necessary economic and social changes needed to ensure the communities and the industry continue as viable operations and produce sufficient revenue to pay for the abatement. Those three factors must all be considered. What the committee was asked to do, in looking only at the control order and the details of it on the Reed mill, meant it was only looking at one third of the problem. That is why we felt we should have an Environmental Assessment Board panel look at all three aspects and work out a plan that would ensure the future of the community of Dryden, the future of the pulp and paper operation in Dryden and the cleanup of the environment.

I note the Treasurer (Mr. F. S. Miller) in his statement about the sale of the Reed mill to Great Lakes said it would meet all environmental standards. He didn't specify what that very vague phrase meant; whether it was the same standards being asked of Reed, or better ones. He also said they would spend $40 million on environmental improvement, but again he didn't say over what period.

I think we are still waiting for the answers to these questions on Great Lakes Forest Products. There is another question we would like an answer on and which is also part of the equation, and it is the missing piece in the jigsaw puzzle; namely, how much of the timber limits granted to Reed under the memorandum of understanding have been given to Great Lakes Forest Products? This will affect their ability to carry out environmental improvement and the speed with which they can do it.

The government doesn't seem to have been able to find the answer to that question as to how much of the timber limits were included in the sale. They don't seem to know how much they have given away to Reed in the past and, therefore, they don't know how much has been passed on. This is a piece in the jigsaw puzzle that must be found.

I would like simply to say that the resources development committee produced a number of very valuable recommendations,

but we are beginning to wonder whether they will be left on the shelf to gather dust or whether we can expect to see them implemented and how soon.

Mr. T. P. Reid: As usual, Mr. Speaker, it is a little disappointing to speak to a House with less than a quorum, although I will not call for one.

Hon. Mr. Parrott: The important ones are here.

Mr. T. P. Reid: The minister points out that the important ones are here, and he may well be right. But it is probably symptomatic of the importance that the members —and probably the press in particular, but others as well—place upon our deliberations in this House.

I want to speak to this problem for a number of reasons. One is the Reed Paper mill in Dryden is in my political area. Many of the surrounding communities are dormitory towns for the Reed Paper plant. The government, in its wisdom, has decided to build a hydroelectric plant, fuelled by low-sulphur coal in Atikokan, which is also in my riding. I also want to speak on it, because this is probably the most important pollution problem we face, particularly at the moment, and probably for the next five to 10 years.

It is interesting, I recall when I first was elected in 1967 the words "ecology" or "environment" didn't mean anything to anybody in Ontario, including my friend who just spoke and most of us in the Legislature. They weren't terms that meant very much to anybody.

About 1969 it became the focus of political attention, not only in this jurisdiction, but also in others. It became, if I may put it this way, the fad of the day. It was the latest cause that people should be concerned and aroused about, should march in the streets, should wave placards, should write their members of the Ontario Legislature and the federal House of Commons and their municipal representatives, and hold great meetings, in whatever public halls there were, to decry the great problems of pollution and all the bad things to come from this fouling of our environment.

It is interesting that 99 per cent of those people—but not all of them—are no longer with us. They have gone on to other things; they are not demonstrating about the Ayatollah Khomaini, either for or against, or saying we should have three chickens in every pot or whatever the latest fad should be.

Environment and ecology seem to have lost fashion, if I may say that, with the public. It's not that sort of upfront, real thing that people are concerned about today. There are a number of reasons for that. One is that a lot of people fasten on to fads and fashions, they give it their best shot and then go on to the next. I guess it also has something to do with the economic situation. The government has been most successful in this province in convincing people it's a case of either the environment or the economy. In other words, either it's clean air and clean water or it's jobs.

Hon. Mr. Parrott: You never heard me say that.

Mr. T. P. Reid: No. I must say, in all due respect to the minister, I would have thought he might have been a little more aggressive in pushing his point.

There are rumours that on occasion the minister has pounded the table and said: "If you don't do this to this company or that company, I'm going to resign. I'm not going to be the minister unless you allow me to run my department and you allow me to be tough with these people."

This is nothing personal about the present minister. He's probably been as aggressive as most of his predecessors, one of whom I remember quite well. The member for Burlington South (Mr. Kerr) stood in this place, on one of the most impassioned, highly charged evenings I have seen in this place in 12 years. We were talking about the Dow Chemical pollution of the St. Clair River.

Mr. Gaunt: The polluter must pay, he said.

Mr. T. P. Reid: My friends are stealing my lines as usual, and I hope they get their names in the paper. But I remember that night well when the minister's predecessor got up in a fit of passion. One could say it was due to other influences—and I don't know what they were—but he stood in his place, pounded the table and said, "The polluter will pay." Some of us who were very naive, young and inexperienced in this place said: "My God, we've found our white knight. We've found somebody who is concerned about the environment we live in."

With all due respect, I say to the present minister, we believed him. We believed he was going to go out to Dow Chemical in Sarnia and all the other people who had by this time been warned there were problems with the environment and the ecology in Ontario, and he was going to clean it up and fix it.

I confess my naivety. I'd only been here three or four years. I was a simple country boy from the north, from Rainy River, who

didn't understand these kind of things. I appreciate I'm a slow learner, but I learned very quickly after that. I don't think there was a person who didn't hear that speech that night in this Legislature, because in those days, Mr. Speaker—it was before your time; you're just a young man—if somebody was making a speech in this assembly, the place was packed. I must say, I thank my colleagues for staying. They usually leave, just like everybody else.

[9:00]

We believed, because of the passion in the then minister's voice, he was going to do something. Those were the heady days when we thought these problems could be dealt with—maybe in too simplistic a manner, I admit. But we thought those things were going to be fixed up. We found that didn't happen. The government, following the tradition and pattern of 36 years in power, would make the deals under the table. Whether it was separate schools, hospitals or anything you want to care about, including pollution of the environment, the government would deal under the table and make its negotiations and settlements, and the problems would be solved. Nobody would be happy, but everybody would feel something had been done.

We have a problem that I, coming from northern Ontario, feel particularly involved in and concerned about. Before I talk about the specific problem of acid rain as it affects the northern area of the province, I want to set a scenario for members on all sides who have been kind enough to support the building of a hydroelectric plant in Atikokan. I give credit to the government for making that decision, reiterating that decision and going ahead with that 400-megawatt plant which will supply the needed power to northwestern Ontario.

I see my friend from Beaches-Woodbine (Ms. Bryden), who spoke to the NDP annual meeting in my riding two or three weeks ago and who doesn't really believe that plant should be built. I remember the former NDP candidate got up in every other place but Atikokan, where the plant and the jobs are needed, and said: "I'm against the building of the plant. I don't think we should have this hydroelectric plant built at Atikokan."

Then the candidate got to Atikokan at the all-candidates meeting and said: "Well, if you people really want the plant, I guess I can't tell you you shouldn't have the plant. If you want to build it, that's fine. I should point out there are certain dangers but, if you want the plant, that's fine with me." That was the same person who had been all over the rest of the riding—and, as you know, Mr. Speaker, my riding is something like 20,000 square miles and the communications are not that great—going from one place to the other, saying, "I'm against it," until he got to the place where it was being built; he then said, "Well, I'm not really against it."

Ms. Bryden: On a point of privilege, Mr. Speaker: When I was in Fort Frances, I did not say the plant should or should not be built. I said there should have been an environmental assessment on it so the public could have decided or could have had their input. A decision could have been made with all the essential public input.

Mr. Acting Speaker: The member's point is on the record.

Mr. T. P. Reid: I just wanted to see if anybody was listening, other than my colleagues. I am certainly glad to see somebody is.

My problem is, I read that account in the Fort Frances Times. They went from being most extreme Conservative to most extreme NDP. As one can't believe either side, I didn't know exactly where the truth lay. I would say the member who just spoke is right and, if I misrepresented her remarks, I apologize. According to the newspaper account, she did say she thought the environmental assessment should have gone on.

I am not totally averse to that, except I find myself in that box where I am trying to ensure the viability of a community and northwestern Ontario; so I think that plant should be built. If the Conservative government of 36 years had done their planning and carried out their operations, as basically and importantly as they should have, we wouldn't have been in this situation.

I want to spend a few minutes on talking about the plant at Atikokan, because I'm concerned about it. I'm concerned about the fact that northwestern Ontario does not have a secure supply of energy. We have been importing energy through a tie line from Manitoba. That agreement runs out in 1980-81. The Manitobans have preferred to say they are going to export their power to the United States, where presumably they have shorter transmission lines and can make a bigger dollar.

The problem arises—it's touched upon in the report we're dealing with tonight and in other reports in the press—about the fact that when the Atikokan plant is operational, it will cause acid rain that is going to affect the Quetico Provincial Park, which is a large park in my riding and of which we in northwestern Ontario are very proud. If I may take 30 seconds to give you a commercial,

it's probably the finest canoeing area in all of Canada. I would say to my friend from Durham East (Mr. Cureatz), who is nodding to me very wisely, it's not a place where he should go without a lot of help. He should not be allowed in the wilderness on his own; he has trouble finding his way here in the morning—even after a couple of years.

The problem arose in regard to acid precipitation and the Atikokan hydro plant and the fact that a lot of American politicians got on the bandwagon and started to raise a lot of hell—if you'll pardon the French, which I'm sure you will; I hope that's not racist—about the fact that the plant in Atikokan was going to cause acid precipitation over the Quetico park but, more important, as far as they were concerned, on the boundary waters canoe area in northern Minnesota, which adjoins Quetico park.

I must say—and I pay tribute to the present Treasurer, who was then the Minister of Natural Resources—

Mr. Hennessy: That's not fair. You can't say that.

Mr. T. P. Reid: It's not fair? You can't win in this place, Mr. Speaker. Here I am trying to pay a compliment to the present Treasurer, and the member for Fort William (Mr. Hennessy) says that's not fair. I don't know what else I could do, other than contribute to his campaign, which I'm not prepared to do.

The Americans got on the bandwagon and were raising all kinds of problems with both Ontario Hydro and members of the Legislature. They wrote directly to the Premier. They went to Ottawa. They went through their federal state department and raised hell as well with the federal government. The fact that this plant was going to cause acid precipitation on the border waters boundary area, which is in northern Minnesota. That area being adjacent to Quetico park in Ontario, they get a lot of enjoyment out of it; they get a lot of people going to that area, because it is beside the best canoeing area in the world which, as I said, is Quetico park.

The hypocrisy of those people is beyond belief. Even the Premier of this province, when he gets up in his place and tries to answer me and others about the question of making public the public opinion polls in the province, does not reach the hypocrisy of those American politicians in complaining about acid rain on the border waters canoe area.

I have statistics here that indicate 70 per cent of any of the acid rain that is infecting this area comes from the power plants in northern Minnesota. Roughly 30 per cent—and I think it's a smaller proportion—comes from Ontario and, in some cases, Manitoba: from a plant in Thunder Bay, perhaps from a plant in Atikokan when it's built, and from two plants producing electricity in Winnipeg.

It's interesting to see the difference I have noted, because I'm very close to Minnesota—fairly close to the border—to me, the difference between our political system and theirs is like the difference between night and day. I've been in this Legislature for 12 years, and I say to you, Mr. Speaker—I'm sure you would agree, and I notice you're sort of nodding—that this government—

Mr. Acting Speaker: I didn't agree with what you're going to say, because I haven't heard what you're going to say. If I was nodding, it was for another reason.

Mr. T. P. Reid: The member for Durham East is nodding, and that bothers me.

This government, in my 12 years in the Legislature has run this province by headlines. They have made statements in this Legislature and have always failed to enforce the tough stances they are going to take on whether it be pollution or violence in hockey. By God, I've never been so impressed as I was when I saw the Attorney General (Mr. McMurtry) stand in his place and say, "We're going to do away with violence in hockey." My God, that was really impressive.

Mr. Ruston: He said he was going to hire 150 policemen.

Mr. T. P. Reid: Whatever happened to that, we don't know.

Mr. Ruston: Where did all the police go that he was going to hire?

Mr. T. P. Reid: The Attorney General said, "We're going to hire 150 OPP, and we're going to have law and order in this province." I could go all through those kind of things. But the only difference between the Attorney General and the present Minister of the Environment is that the present Minister of the Environment dresses better, because he can do up his jacket and the Attorney General can't. But because the member is not on the front benches of that party, his statements don't get the same kind of recognition that his statements do. But his are not far behind. I remind the minister of the statements his predecessor made about how we were going to sue Dow Chemical and the polluter would pay. That's how the Tories have run this province for the 12 years I've been here. I'm sorry that the press gallery never catches on to that,

but I suppose their immediate concern is a headline and they don't care about results.

But to go on, even better than the present Attorney General and the Minister of the Environment, who make all these great statements about what they're going to do, with no action to back it up—

Hon. Mr. Parrott: Just tell me one—

Mr. T. P. Reid: Oh, let's talk. We could talk about Dryden if the minister wants to talk about something. We could talk about Inco. Let's talk about Inco, for instance—

Hon. Mr. Parrott: Tell me one—just one.

Mr. T. P. Reid: One? I told the minister about two, but let's talk about Inco for a minute.

I've been here for 12 years. I've heard about environment, pollution and ecology for 10 of those years. I admit, when I first came in, I didn't know any more about it than anyone else. But I'm still waiting for Inco to be cleaned up.

Hon. Mr. Parrott: You were going to tell me about it.

Mr. T. P. Reid: I haven't heard the minister say anything about the 750,000 tons of emissions that have been going on. I've listened to my friends who live in Sudbury talk about it. I've heard the minister say, "We're going to do this and we're going to do that." I've read the papers the next day and it says, "Harry Parrott, the minister says . . ."

Mr. Warner: He gets tough.

Mr. T. P. Reid: —but I don't see any reduction.

Mr. Warner: He'll get tough when Inco lets him.

[9:15]

Mr. T. P. Reid: I don't see any reduction in the 750 tons of emmissions from Inco. Don't divert me. I am trying to help you out here. If the minister would listen, I am trying to help him out, because there are people on the North American continent who make him look like a piker, and they are the American system of government. I stand in my place and say, without fear of equivocation, that they are the experts at ruling by headlines.

Even the member for Durham East realizes what they are doing. If he knows how blatant and obvious it is, then everybody must know how blatant and obvious it is.

These American politicians primarily were writing letters, making speeches in the Minnesota Legislature, and were going to their federal representatives, who were going to the federal House of Commons and complaining about the possibility of acid rain coming from this plant in Atikokan.

The hyprocisy of it is beyond me, Mr. Speaker, and I will tell you why; 70 per cent of the acid rain in this area is coming from—

Mr. Hennessy: Minnesota.

Mr. T. P. Reid: The member for Fort William has said the first intelligent thing he said tonight. It is coming from Minnesota and those electric power plants there. They are producing 70 per cent, or better, of the acid rain in that area, and they have the nerve to write the Premier of the province, to write to me, to write to the Minister of the Environment and say: "We are not going to put up with this. This is completely unsatisfactory. We don't do it."

It is incredible. They have more nerve than the Ontario Conservative government, and I know my colleagues won't believe that. They won't believe that, but that is the case.

It bothers me, Mr. Speaker. I understand my time is running out, is it?

Mr. Deputy Speaker: You have about 45 seconds.

Mr. T. P. Reid: I want to refer to page 24 of the report—something referred to by my colleague who spoke before me—and that is the process of reaching an international accord to secure abatement of the emissions contributing to acidic precipitation.

I am concerned about this. I am concerned about it for the very reasons I have put, because our American friends are exactly the same way but more expert than the Ontario Conservative government. They would rather talk about it than do it. They will get a headline in the papers—

Mr. Deputy Speaker: The honourable member's time has expired.

Mr. T. P. Reid: Thank you, Mr. Speaker; I will wind up. I say to the Minister of the Environment, if I may in winding up, Mr. Speaker. I have a resolution on the Order Paper. It is imperative that Ontario have a working agreement with the states bordering the province. I realize there is a longer range with the weather system and everything else, but we cannot rely on the federal government to deal with these matters. There should be a working relationship between Ontario and those states bordering along the Ontario border to deal with these kinds of problems.

Mr. Charlton: Mr. Speaker, I didn't get to sit on the committee for very long, but I did sit on the committee for a few days when we were dealing with Reed, Dryden. I would

like to pass a few comments on to the minister about some of the feelings I and other members of the committee developed when we were confronted with the kinds of technical presentations the company was making about its proposal and to some degree even the technical nature of looking at your proposals as well. Quite a number of us found it very difficult to effectively determine what exactly was the truth, not in terms of anything other than was the economic tag they hung on their approach to cleaning up the pollution a realistic tag, or could it be improved? We just didn't have the expertise on the committee to do that effectively, to refute easily the position the company was taking on its economic situation. A number of us found that quite difficult and we didn't feel, in terms of the future, in looking at control orders and so on, that the legislative committee was the proper place to do it.

In spite of some of the technical problems and technical hang-ups the members of the committee had, there are a number of good recommendations in the report. I won't read through all the recommendations because I would think the minister has had a very careful look at them already, but I would like to talk about enforcement.

The one thing that comes out fairly clearly in the section on enforcement is toughness. The committee believes enforcement procedures should be strengthened. All the way through these recommendations there is a significant feeling by all the members of the committee—and I understand the government members dissented on a couple of points, but they didn't dissent on this—that there needed to be much, much stronger enforcement of orders by the Ministry of the Environment. I suppose it has been said in this House 10,000 times as well.

The minister responds, "Don't totally hang the past on us. We are going to do it better in the future," but in most cases we haven't seen that, at least in the biggest instances this Legislature has been confronted with over the last three or four years. Reed is obviously one of the most serious among them. We certainly don't want to see the sale of the company win any changes for anybody in the strategy which presently is being taken. We would like to see it completed.

Repeatedly, all through these recommendations there is the feeling shared by everyone on the committee that there has been a real lack of strength in enforcement, that the will just wasn't there. That has to change.

The next area I would like to talk about briefly is the whole question of pollution control and pollution abatement costing jobs. This is a thing that quite often gets hurled at those who are most vocal about cleaning up the environment. The ministry has done some studies in the area. One I have here is entitled, The Pollution Control Equipment Industry in Ontario: Historical Performance and Potential and the Possibility of Import Substitution. There are some significant findings in that report and some potentially good ideas, so I think the minister is well aware that all that can happen when we are dealing with pollution control is not necessarily downward, not necessarily loss of jobs. There is a huge potential in the pollution-abatement equipment industry if it is properly encouraged and fostered in this province. There is a lot of potential there.

One looks at things like the English-Wabigoon river system which has now been closed as a tourist area for a couple of years. When one looks at something like that, one thinks and one understands that there are a lot of other job potentials, both recreational and tourist in nature. The minister knows that is already one of the most important industries in the north. We have had the recent reports on acid rain and so on, which indicate we have to start looking at the real damage to vegetation as a result of all of these kinds of things we have allowed to go on for much too long.

All of those are going to start having a negative effect on jobs, as opposed to the cleanup which is always labelled the bogy man, the job killer. I think we should all clearly understand that's just not an acceptable thing to be saying anymore at all.

The committee recommended a number of things about pollution abatement and employment. I think they are all reasonably useful directions in which to be heading. One recommendation is about a senior economist from the ministry undertaking an explicit study of employment effects of the abatement program on the pulp and paper industry.

We are going to continue to get the bogy men that really aren't acceptable in dealing with pollution-abatement programs, if we don't do the studies, if we don't have the facts. In effect, we don't know what we are talking about. These kinds of recommendations are useful and they will point us in the direction where we can get by the clique words and buzz words that keep putting a stall in the process.

There are a number of things in the whole approach the committee took to the Reed situation that distressed me somewhat, one of which, as I suggested at the outset, was

the very fact we didn't have the expertise to determine what was feasible and what wasn't. I think this is reflected in the way the committee has continually reported that the ministry should do a study of this and do a study of that, because we just don't really know the answers. Some of the answers are more obvious than others, but I think it's just about time something was done.

We talked about pollution-abatement programs at Reed in Dryden or at Inco. Wherever we are talking about enforcing cleanup orders, we have to know in a factual way what kind of enforcement we can apply. We haven't effectively known that in the past and as a result we haven't got anywhere in understanding why we haven't accomplished what we set out to accomplish. The only understanding that comes out of it is we didn't do it.

Those are the two major areas I wanted to speak to this evening. I am getting a signal that perhaps I haven't used up as much time as I—

Hon. Mr. Parrott: Don't worry about it.

Mr. Charlton: At any rate, there are a number of other things discussed under enforcement—

Hon. Mr. Parrott: Adjourn early.

Mr. Charlton: We may well do that yet, Mr. Minister.

Hon. Mr. Parrott: I will, if you will.

[9:30]

Mr. Charlton: There were a number of other things mentioned under enforcement in the way of application of fines. Although in at least one or two of the recommendations some of the government members dissented, there were a couple of suggestions that were particularly useful at which the minister should have a careful look.

It is suggested, first of all—I think everybody felt this to the greatest degree—the maximum fine should be increased so we reach a more effective level in terms of dealing a real penalty. The committee also recommended in the same section that we should have a look at minimum fines, so we don't get into the situation of some of the fines being so low, for whatever reason, that others can feel hard done by. We have to have a situation where there is an almost automatic minimum penalty.

It is true the government members dissented on that point, but I think it's something in terms of effective enforcement the minister can seriously consider.

The committee also recommended there was a need for an analysis of the ministry's abilities to prosecute and issue automatic penalties against Kimberly-Clark and Boise Cascade. In some instances, it seems to us particularly reasonable that automatic fines could be the most effective way of dealing with the biggest offenders.

We also have some concerns about the whole question of funding for modernization programs and abatement programs. Not everybody is convinced the modernization and abatement program should be paid for out of a grant structure. It would seem reasonable, and I think it's noticeable that it has been stated several times throughout the report, that we like the concept of polluter pays. We also like the concept that if the public is going to put money in, there should be some kind of return on that money. There are all kinds of options in there and the minister knows well what they are. It could be anything from a loan on up, but there should be a return for the taxpayers of Ontario.

Let's face it, the industry itself—although it is probably true it won't last forever—has made some substantial gains in profits over the last year or year and a half. The modernization, at least theoretically, is going to provide them with additional profits. That's what the modernization is all about, making them competitive again. It seems to us if we are going to put public money into that process, the public should be guaranteed some return on that.

Mr. Deputy Speaker: I believe the Liberal Party has used up its time; the New Democratic Party has about four minutes left.

Hon. Mr. Parrott: On a point of order, Mr. Speaker: Are we agreed there are no other speakers for the other two parties and we will not have a vote at 10:15?

Mr. Deputy Speaker: I don't know whether it's possible to agree there are no other speakers. I think the New Democratic Party has four minutes left and I have recognized you.

Hon. Mr. Parrott: I appreciate that and I didn't wish to be recognized until after the last speaker, if it is possible. I would like, if I could, to wind up the debate. Perhaps the member for Beaches-Woodbine (Ms. Bryden) would like to give her four minutes to the member for Haldimand-Norfolk (Mr. G. I. Miller) and then I would conclude.

Mr. Deputy Speaker: I think the member for Beaches-Woodbine has already spoken.

Hon. Mr. Parrott: I know, but that party may wish to give the four minutes to the member. I am only trying to get a ruling, Mr. Speaker.

Mr. Deputy Speaker: It was agreed before the discussion started that the members would split the time and I don't think it is up to the chair to say which party should go first. It is entirely up to the members and up to the chair to recognize the member who is standing. So if somebody wants to stand, I will recognize them.

Interjections.

Mr. Deputy Speaker: Order. I must remind the members that it was agreed earlier that each party would have an equal amount of time. The Liberal Party's time has expired.

All right, the honourable member for Oxford.

Hon. Mr. Parrott: I will assume then, Mr. Speaker, that no other member wishes to speak.

Quite frankly, I don't wish to take 35 minutes and I don't want to prolong the debate for the sheer purpose of prolonging the debate. Since we are not calling for a vote and I understand the other parties also are not calling for a vote, I thought we might be able to make the assumption that we had each had our full opportunity to discuss this important committee report and adjourn the House.

I hear no dissenting comments on that, Mr. Speaker. I think that is a reasonable position to put.

Mr. Deputy Speaker: That's a suggestion.

Hon. Mr. Parrott: There are a few comments I would like to make this evening relating, first of all, to the very long discussions we had in our committee, not only on the Reed Paper order but all control orders on acid rain and many other subjects. By and large, those hearings, I think, were well worth the effort. Certainly I thought the members of the committee were making a very conscientious effort on all occasions; no doubt about that. The attendance was excellent and by and large the continuity of the debate was extremely worthwhile, so I would say to the committee I found the assistance they gave me helpful and it was appreciated.

Rather than spend a lot of time on a policy statement which could be a reasonable approach to tonight's debate here in the House I will respond to a few of the suggestions made by the previous speakers. I do that simply because so much time has been spent in committee, perhaps more than has been spent ever before, on matters of the environment. Therefore I had lots of opportunity to make policy statements and quite a few were made during that time.

The first question I would like to address is perhaps to the member for Huron-Bruce (Mr. Gaunt), who talked about the fines not being sufficient. I know he has made that case several times and I must say to him I am beginning to accept his position on that more and more.

I think there is something that must come before that, and it is just this simple: There is absolutely no value in the Minister of the Environment asking this Legislature to apply stiffer fines until we have in place an obvious enforcement policy. Why ask for high fines if we are not going to enforce? That seems very logical.

Mr. Speaker, if I could I would suggest to this House, through you, sir, that indeed there has been a real change—perhaps too subtle to appreciate but a very real change—in the enforcement attitudes of this ministry in the last while. I tell you I shied away from enforcement in the early days—and I say days, not even months—of my term of office. I don't think anyone appreciates laying a heavy hand on individuals. It seems easy when you're in opposition to make the suggestion that it's only big companies which need enforcement. I tell you, Mr. Speaker, it is not only large companies, it is sometimes also a single individual who needs a heavy enforcement policy. So let's not kid ourselves—

Mr. Warner: It's easier to get tough with a single individual.

Hon. Mr. Parrott: If the member for Scarborough-Ellesmere would be quiet for just a second and try to get the continuity of this, he might see an emerging pattern that's extremely important in this province.

We do have a large number of enforcements now proceeding through the courts—a large number. That's the way it should be. I discussed this very issue with my deputy today and he tells me the fines being levied of recent days are increasing in their magnitude. He tells me, as well, this trend is one that's easily documented. I'd be glad to do it for this House.

More particularly, I say to you, Mr. Speaker, if we are not successful in the lower courts, we are appealing and taking it to the higher courts—and I can document this. That, I think, is getting out very clearly the message that the Ministry of the Environment is determined to enforce those orders they have put into our society. That happens to be absolutely true.

Mr. Warner: Hollow words. Inco is quaking in its boots.

Hon. Mr. Parrott: Any time the member wants he can take our control orders and see how they've been enforced. If he'd come to committee he would have had a one-by-one recording of how we are enforcing our control orders and will continue to do so.

I make no bones about it, enforcement is the key and that change is perhaps subtle. I believe it's now less than subtle. It's becoming fairly obvious and will be more and more obvious as times goes on. In response to the member for Beaches-Woodbine, I think she made a case that our amount of total suspended solids have not lessened in the years between 1978 and 1979, nor has the biological oxygen content. That's not quite all that should be said on that subject. They're marginally reduced but, more particularly, production is up.

In other words, the challenge that faces our industry is larger because of the increased production. We would expect therefore, to see a correspondingly larger amount of both of those items I mentioned, but we've seen marginal decreases. Therefore, I think the relative position is a significant decrease in our loading, if we make the comparison between the production and the actual loading going into the environment.

She also suggested we needed a little different approach on the public input, and that it didn't work in the committee. I totally agree with her. At the end of the discussions on Reed Paper I did not think the process had worked well. I think it did bring to the public a good deal more information than they had ever been given before.

The member for Hamilton Mountain suggested it was too technical. Yes, that was one of the flaws we saw in that approach. It's hardly appropriate to put all that technical information in front of a committee not trained, nor with the expertise to make judgements.

On the other hand, it did give our ministry staff a very clear opportunity to display their considerable talents and knowledge of the technical requirements of a ministry as complex as my own. I guess that brought into clear focus that many of the environment issues of today are difficult to deal with simply because they're so complex and yet so frequently emotional. It makes it very difficult to arrive at a balanced judgement.

[9:45]

On that basis, I would be more than ready to agree that the approach taken by referring a control order to a committee of this Legislature is not a successful way of handling it. It was an excellent experiment; I think it was the right thing to do at that particular time. We learned a great deal from that experiment; one of things we learned was not to repeat it.

I say to the member we are coming in with a much better idea on how to deal with control orders in the public forum. I am committed to the concept of dealing with control orders in a public way. In the near future we will put on the record—perhaps not in the House, I hope it will be before the next time we meet in this Legislature in the new session next spring—a formal statement on our abatement policy. As a matter of fact I have already seen the first draft of that policy. I have made a few changes in it, but I think it is close to being ready to be put on the record for all to see.

I think this is a welcome addition to the policy of our ministry. It is something that will, I think, help the members to understand where we are going, what we are doing and the approach we take to control orders; and that will be valuable.

I was pleased the member suggested that the Environmental Assessment Board was a competent body to hear this case. I am not sure we are going to accept her advice to go to an environmental board hearing on control orders in the future, but I was pleased to know she recognized that body was such a fine, independent body we could trust it with making the decisions on the cases we referred to it so frequently.

The member also wanted to talk a little bit about whether Great Lakes Forest Products Limited would have orders similar to those issued to Reed Paper Limited. I am prepared to say to her this evening that we will be arranging for a new control order on that company in the not-too-distant future, I suspect. It is our intention to set up a public meeting in Dryden where the company can put forth its intentions regarding environmental matters.

We will not be dealing with this in committee, as we did with Reed Paper Limited, we will not be doing it before the Environmental Assessment Board, but we will be doing it in public and we will be doing it in the community of Dryden. Indeed, that perhaps is something that is also starting to become very clear, that we think the place to hear these discussions on our control orders is not always here at Queen's Park in Toronto, but in the communities where the residents, the company employees and the company officials have a chance to make a case; in other words where there is a very wide opportunity for the fullest participation in the discussions that could logically centre around a control order. Perhaps before many

weeks pass a formal statement of our policy will be put forward.

I shared with the House the pleasure of listening to the member for Rainy River. (Mr. T. P. Reid). He was in extremely fine fettle tonight. I sent him a short note saying that to the best of my knowledge Elmer Sopha would have been very proud of him. He really put on a stellar performance for us, Mr. Speaker. I think he would have been second only to the fine congressman from Minnesota and he as much as said Minnesota has excellent politicians.

I thought the gentlemen who was here at our recent acid rain conference was one of the best delegates one could possibly have. He was engaging, charming and fluently bilingual, if members can imagine that. I am sure the honourable member would have been impressed. There was only one problem with his presentation. He talked about the problem of acid rain better than anyone else I heard at the conference, but the bottom line was he was not able, even with all his brilliance, and he was brilliant, to persuade Congress to increase their activity against acid rain. Indeed, he shared with me his great disappointment that they had cut the budget while, at the same time, we in Ontario had markedly increased our budget to deal with that most important of subjects: acid rain.

Although I don't claim to have his great eloquence; I don't even claim to have the great headlines, as the member for Rainy River suggests—

Mr. Gaunt: You get your share.

Hon. Mr. Parrott: I get my share—some good; some bad. What we are doing is taking a very workmanlike approach to dealing with a very complex item.

In conclusion, I seem to hear from so many members that there is no enforcement. Perhaps if I could put on the record tonight only one thing, and I could rest my case with that, it would be the tremendous number of cases that now are in court. As a matter of fact, I would underline that by saying I personally took a new approach, and one that surprised a fair number of people, in that I went into the court personally to try, to the very best of my ability, to make the court realize how serious we are about enforcement.

The member for Scarborough-Ellesmere wouldn't ask me the right questions at the right time. I suspect he would have said, with sarcasm, "What little person did you attack?" It was not a little person. It was the second or third largest paper company in Canada. I went there to say, as forcefully as I could, to the officer of the court, "We are dead serious about enforcing this control order."

Mr. Warner: Did you win?

Hon. Mr. Parrott: It so happens the case has not yet been decided. But if we lose—

Mr. Warner: Your track record—

Hon. Mr. Parrott: We've done very well in our track record this last year and a half—very well indeed.

Mr. Warner: Tell that to the people in the Sudbury basin.

Hon. Mr. Parrott: If the member wants to go case by case, I'll be glad to debate it any time. We've lost a few, but we've won many. That's the point. The member does not give us credit for the many times we win, and that disappoints me. I understand the logic of the position the member takes, but some day he is going to have to accept what reality is: We win far more than we lose.

Mr. Warner: That's nonsense, and the minister knows it.

Hon. Mr. Parrott: It is not nonsense. The trouble is, the member keeps making those kinds of interjections about "nonsense." I've heard him say it a million times in this House. He never backs it up with fact. Let him get the record out and show me where I am wrong. The member cannot show me where I am wrong in that regard.

I think there is another part of enforcement. I wish the House were filled or that I had the gift to make this case as well as it should be made. I conclude on this point: Yes, there is an important aspect of enforcement that can only be done in the courts. But there's another important aspect that's worrying me even more.

As we come up with ideas on how to treat the problems of environmental concerns in this province—with ideas that could be put into place; not things we need to go to court on, but facilities, methods and concepts—and as we try to put those in place, we find invariably when we go into a locality, they say one simple thing, "That's a good idea—but not here."

That may take a little too much personal challenge for the member who sneers across the aisle. It might take too much of a challenge for him to bite that one. I don't know where we need more help in this province than for all of us to stand, look at the severity of the problem and realize that, unless slowly but surely we individually take our responsibilities, we'll go down the drain in the truest sense of the word saying, "It's a good idea—but not here."

I was in a riding last night. It was a very difficult meeting. I thought I was putting on a proposal for a much-improved liquid-waste facility. I was really disturbed—I was really sorry—to hear the people of that area say to me, as all other areas say to me, "We would sooner live with untreated waste being dumped we don't know where than take a treatment facility that we can be sure of in our riding."

It's partly because we haven't put the case well enough. I'll take my share of that responsibility.

Ms. Gigantes: Because people don't trust you.

Mr. Warner: With good reason.

Hon. Mr. Parrott: That could very well be my fault, but there comes a point in time when the kind of comment just hurled across the House will destroy this province. We will have a silent spring.

I said to that person last night—I said to that crowded room last night—"If you don't trust me, here's what I will do. I will put on duty, 24 hours a day, a person who will police, who will test, who will guard what is going on in this facility. Not only that, I will give you, the local people the opportunity to veto that person's name. If you don't believe me, if you don't trust me, you can veto it and we'll put another person forward until we find a person you can trust."

Even with the unconditional commitment on my part that we will put on that site a policeman they could trust, they still said to me, "It's a good idea—but not here."

Mr. Warner: Where was this, Harry?

Mr. Conway: Where was this?

Hon. Mr. Parrott: There is no problem in telling the members where it was and it is happening all over our province. It's happening in my riding. It's happening in the members' ridings.

Mr. Warner: Where was this last night?

Hon. Mr. Parrott: The meeting last night was in Harwich township, down near Blenheim. But I'm not picking on those people. That's not my point at all.

I'm saying to the House it is typical of the approach of the people of this province that we take, understandably so, a very narrow view. But that very narrow view is perhaps going to establish some Love Canals in this province unless the Ministry of the Environment is given the opportunity to put some facilities in place.

It's not going to be easy to do that. We've tried to open up the process as much as we can. We'll put information services in. We'll hold open houses in schools. We'll do whatever the members ask. We'll give the kind of guarantee we gave last night. But I ask the members of this House to stop saying they can't trust us. It's an easy, rhetorical statement, but if we continue to take that irresponsible approach I am very concerned about the welfare of the total province.

We must solve our liquid-waste problems. We must solve our industrial-polluting problems and we must do that by enforcement—yes, of course we must. But after we have demonstrated leadership in enforcement—and I say to you, Mr. Speaker, in a year and four or five months I've tried to do that—I think the time has come for all of us in Ontario to bite the bullet a little bit and say there are some things we must do as responsible citizens, as responsible members, as responsible persons so we don't pass on a heritage that's so damaged it might not be viable.

I can't share with you enough of my emotion on how serious these kinds of problems are, Mr. Speaker. I hope before it is too late all of us will understand that if we want to play in the world of the environment the short-term, good political approach, the long term will be the destruction of our society.

[10:00]

As I said to the people of that particular community last night, if I am not permitted to do some of the things we are trying to do, when the day comes, when the silent spring is here, I will not be able to answer. I will leave it on the conscience of those who said, "We can't trust you, you are being too soft."

Mr. Speaker, it is easy to throw those things across this House. What worries me so much is short-term, myopic, political judgements may destroy the finest community God gave anyone and that is called the province of Ontario.

I challenge the members of this House to look anew at their individual responsibilities and accept them, because we can't do it by ourselves within this ministry. We need such things as a change in attitude towards lifestyle that has been, perhaps, a little too lax. All of us have squandered some of our resources. All of us are to blame and I think we could all improve. It is time all of us took a long, hard look at our lifestyles and tried to conserve and tried to stop some of the obvious things that are destroying our environment.

I plead, as hard as it is possible for me to plead, that we take our individual responsibilities to protect our environment far more than we have in the past. If we don't, I don't care how well the ministry functions, there will not be success.

Mr. Speaker: It is my understanding there are four minutes left. I will hear the member for Windsor-Sandwich.

Mr. Bounsall: Four minutes, Mr. Speaker, is a virtually impossible restriction to put on an ex-university professor, who doesn't get warmed up shy of 50 minutes.

Let me say on a personal basis there is no minister in this House I would rather believe in, who has sincerity, who is one I can trust, than this particular minister occupying that particular portfolio. One point he made in the exchange that occurred while the minister was speaking was he mentioned winning more than losing in the last year and a half, and he asked us to inspect the record.

The minister has the record. Rather than our going through the exercise of putting on the Order Paper a question that asks precisely that, will he table for this House the number of enforcements he has tried to make in the last year and a half; which are successes and which are failures and the status of each one of them? Moreover will he tell us not just what is achieved through the court in the way of fines but what has been achieved in terms of the environment in each of those individual cases of which he has spoken?

What environmental advancement has been made in terms of either the air or their industrial liquid pollutants? Can I ask the minister to do that as a partial restoration of our trust, in our continuing trust?

The minister made allusions in his comments to the way in which this open committee of the Legislature, the standing committee, dealt with the pollution control order as it applied to Reed. May I remind the minister, of the first time my trust in him was severely shaken? At the beginning of those hearings, out of the blue with no warning whatsoever, with no discussion with either of the two opposition parties, with no discussion with anyone—it did not emerge clearly for two days what kind of game the minister was up to—it was disclosed that somehow this committee, with no preparation and no warning, was going to decide what was going to happen at Reed.

That is no way for the minister, to behave, in order to continue to have, or to gain, the trust of members of this House. I might say it was partially that feeling of mistrust and of having been put into a can't-win situation on the part of each member of that committee which caused that committee to be as fractious as it was for so long. If the minister wants our trust, he should not play games with committees of this House as he did last January, because that is what happened right at the beginning of referral to our committee. It really took us a couple of days to find out that is what he was up to, and that certainly did not help the committee to settle down and come to a consensus. I hope the minister has learned from that and does not go through that procedure again.

Secondly, on that committee—it occurred about 10:28 one evening on, I think, the last day of those hearings—I said to the minister and to the committee—I did not put it in a motion—there was no way the committee could come to grips with what should be done with Reed in the absence of that committee being provided with a financial analyst and one who was expert in the technical side of the pulp and paper. If that committee had had that assistance it could have come to grips with the problem and provided an answer.

Mr. Speaker: The honourable member's time has expired.

Mr. Bounsall: One last sentence, Mr. Speaker. That is what is going to have to be provided to the citizens in their involvement in any pollution control order if they are going to understand just exactly what is involved. The minister should face that and be prepared to pay for that kind of expert help to the community groups.

STANDING RESOURCES DEVELOPMENT COMMITTEE

Mr. Speaker: Mr. Villeneuve has moved the motion for the adoption of parts 3 and 4 of the final report of the standing resources development committee.

Motion agreed to.

REGIONAL MUNICIPALITY OF PEEL AMENDMENT ACT

Hon. Mr. Wells moved that the order for second reading of Bill 158, An Act to amend the Regional Municipality of Peel Act, 1973, be withdrawn and the bill be discharged.

Motion agreed to.

THIRD READING

The following bills were given third reading on motion:

Bill 149, An Act to amend the Land Titles Act;

Bill 150, An Act to amend the Registry Act;

Bill 159, An Act to amend the Family Law Reform Act, 1978;

Bill 161, An Act to amend the Public Commercial Vehicles Act;

Bill 162, An Act to amend the Child Welfare Act, 1978;

Bill 170, An Act to amend the Education Act, 1974;

Bill 171, An Act to amend the Ontario Municipal Improvement Corporation Act;

Bill 175, An Act to amend the Highway Traffic Act;

Bill 177, An Act to amend the Compensation for Victims of Crime Act, 1971;

Bill 178, An Act to provide for the Enforcement of Interprovincial Subpoenas;

Bill 179, The Powers of Attorney Act, 1979;

Bill 181, An Act to provide for the Consolidation and Revision of the Statutes;

Bill 182, An Act to provide for the Consolidation and Revision of the Regulations.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, pursuant to standing order 13, I'd like to indicate to the House the business for tomorrow and next week.

Tomorrow, the House will be in committee of supply to consider the estimates of the Treasurer (Mr. F. S. Miller).

On Monday, December 10, in the afternoon the House will again, in committee of supply, consider the estimates of the Treasurer. In the evening in committee it will consider Bills 77, 176, 180 and 173, and then, if time permits, there will be second reading and committee stage as required on Bills 1, 174, and 154.

On Tuesday, December 11, in the afternoon the House will consider legislation; third reading of Bill 24 and second reading of Bill 127 until 6 p.m. In the evening we will consider Bills 194 and 195, followed by legislation that was not completed on Monday evening.

On Wednesday, December 12, the justice, general government and resources development committees may meet in the morning.

On Thursday, December 13, the House will meet in the morning to do the following concurrences, possibly subject to change as the week progresses. As of now, the list is Transportation and Communications, Consumer and Commercial Relations, Community and Social Services, and Education. The regular question period and opening business of the House will be in the afternoon as usual and the House will consider ballot items 11 and 12. In the evening the House will debate the motion for adoption of the first and second readings of the standing statutory instruments committee followed, if time permits, by budget debate.

On Friday, December 14, the House will continue the estimates of the Treasurer in committee of supply.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the interim answers to questions 358 and 365 standing on the Notice Paper. (See appendix, page 5250.)

The House adjourned at 10:15 p.m.

APPENDIX

(See page 5249)

ANSWERS TO QUESTIONS ON NOTICE PAPER

NURSING HOMES

358. Mr. Cooke: Would the Minister of Health table the net and gross profit figures for all nursing homes licensed under the Nursing Home Act in Ontario for the last financial year? Would the minister also table the number of beds and type—for example private, semi-private, ward and extended care—at each of the nursing homes licensed under the Nursing Home Act in Ontario? (Tabled November 22, 1979.)

Hon. Mr. Timbrell: Our interim response to Order Paper question No. 358 is as follows: My ministry is presently reviewing this question and we anticipate a response will be available by mid-March.

RENT SUPPLEMENTS

365. Mr. Dukszta: Would the Minister of Housing please table whatever information has been prepared by his ministry or is otherwise known to his ministry regarding the current cost of rent supplementation subsidies to private landlords in Ontario; what is the range of amounts paid out monthly in series of $50 gradations and what is the number of such payments in each category; and what projections have been made of the increase in the number of rent supplements in private accommodation, the rates of average individual monthly supplements and the total cost of this program for the next five, 10, 20, 30 and 40 years? Additionally, would the minister indicate in which communities there are presently private rent supplemented units and how many are in each community? Furthermore, how many supplemented units are there per building on average in ranges of one to five units, six to 10 units, 11 to 15, 16 to 20, 21 to 25, 26 to 30, 31 to 35, more than 36? What is the average percentage occupancy of these ranges of supplemented units in terms of the total number of units available in the private apartment buildings? (Tabled November 27, 1979.)

Hon. Mr. Bennett: The information requested is extensive and will require some time to compile. The ministry will, therefore, provide a comprehensive response by December 21, 1979, approximately. Trusting this will be satisfactory.

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MacBeth, J. P.; Acting Speaker (Humber PC)
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No. 130

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Friday, December 7, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, DECEMBER 7, 1979

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

LIBEL AND SLANDER LEGISLATION

Hon. Mr. McMurtry: Mr. Speaker, at the appropriate time in the proceedings today I will be introducing two important amendments to our law of libel and slander.

The first amendment modifies the defence of fair comment. This defence permits the expression of an opinion upon a matter of public interest, irrespective of the defamatory nature of the opinion, if the opinion expressed is one which its maker honestly holds and which is based upon proven facts.

The amendment ensures that this defence is available to the media when they publish the opinions of others, for example as in letters-to-the-editor columns or man-on-the-street interviews, without having to be able to prove in court that the author actually held the opinion expressed.

The amendment allows the publisher of an opinion expressed by another person to rely upon the defence of fair comment, if the opinion expressed was one which a person might honestly have held. This amendment arises from the Supreme Court of Canada decision in Cherneskey versus Armadale Publishers and really reflects the minority view of the court in that case.

A similar amendment has been requested by the Uniform Law Conference of Canada and at my request it is being considered by other provincial governments in the interest of uniformity across the country.

The second amendment broadens the definition of "broadcaster" in the Libel and Slander Act to bring cable television operators within the scope of the term. The existing definition does not encompass cable television because cable was virtually unknown when it was enacted. The Libel and Slander Act contains numerous provisions in respect of newspapers and broadcasters which recognize the special role played by the media in a democratic society.

Cable television operators are required by law to provide facilities for community broadcasting. Yet defamatory statements in cable television can produce legal results different from statements made on regular television. The proposed amendment would rectify this anomaly.

These amendments are the result of extensive discussions I have had with the Ontario Press Council, the Canadian Daily Newspaper Publishers Association, the Canadian Association of Broadcasters and many individuals in organizations concerned with communications issues. I believe this legislation has the support of all interest groups in this field. However, I want to stress that this legislation is being introduced for one key purpose—to strengthen freedom of speech and to encourage the free discussion of matters of public concern. I believe that the majority decision in the Cherneskey case does constitute an unnecessary and a potentially harmful limitation on those fundamental freedoms. I have no doubt that to stifle the right to communicate is to eviscerate democracy.

CORRECTIONAL SERVICES DISPUTE

Hon. Mr. Walker: Mr. Speaker, I wish to report about the termination of the illegal strike by correctional officers. I wish to report that the correctional institutions across the province are returning to normal following the end of the illegal strike by correctional officers which began on Monday morning at approximately 7 a.m. and ended late Wednesday night.

I wish to pay tribute and to express sincere appreciation on behalf of myself, the Ministry of Correctional Services and the citizens of this province, to the dedicated staff who have manned these institutions throughout this illegal strike. The staff included managerial personnel at the institutions, staff in the bargaining unit who chose to obey the law and not to go out on strike and a variety of managerial staff at all levels, up to and including executive director rank, from our central, regional and area offices.

I wish also to express my appreciation to the regional and main office staff who did an outstanding job in co-ordinating and directing the overall ministry response. In addition, I wish to express thanks to the staff of the Civil Service Commission and my cabinet

colleagues for their efforts to resolve this situation.

The people manning the institutions worked long hours under trying conditions, and, in some instances, at unfamiliar tasks, with limited amounts of sleep to ensure that the security of institutions was maintained and the public protected in keeping with the ministry's legal responsibilities. I am proud to report that these staff members met the challenge of this difficult situation with dedication and patience and without complaint. Everyone pitched in to try to maintain operations within institutions on a normal a level as possible.

One has only to look at the record over the period of the nine consecutive shifts which were manned during this illegal strike to realize what a superb team effort was put forward by all involved. Fifty-two correctional institutions across the province continued to run smoothly with no serious problems throughout this period.

A special word should be said about our staff who remained on duty after the illegal strike was launched. I am sure it was a difficult decision, when they knew that feelings were running high and that their actions might bring disapproval from some of their colleagues who took part in the illegal strike. I commend them for their courage and their sense of responsibility for remaining on the job. Now that the strike is over, it is my hope that the officers who walked out will respect the decision of fellow officers who remained at their posts because they felt it was their legal and moral duty to so do.

Although there were no major problems in any of our institutions, disruption of the normal routines and a reduction in regular services were bound to occur. In some instances there were delays or disruptions in preparing inmates for court appearances, visits between inmates and relatives and the preparation and delivery of food services. In this connection, the inmates throughout the province acted in a mature and responsible manner. There were few incidents of inmates attempting to take advantage of the unusual situation which existed and of the fact that some supervisory staff were unfamiliar with some of the institutional routines.

As minister, I have found it necessary on two occasions during the past year to be highly critical of the behaviour of inmates who acted irresponsibly in precipitating and participating in disturbances at two correctional institutions. In both instances, it was a minority of the inmate population who acted irresponsibly and the fact that the majority of them are prepared to conduct themselves in a reasonable manner was confirmed earlier this week when inmates responded to the situation with patience.

I wish to register here a certain sense of disappointment that a large number of the correctional staff chose to participate in an illegal strike. Since coming to this ministry, I have had a great deal of sympathy for the correctional officers' concern over the wide differential between their pay and that of correctional staff in other jurisdictions and of the Ontario Provincial Police officers. Prior to the illegal strike, I expressed my feelings in this regard and my willingness to seek special wage consideration for correctional staff in upcoming negotiations between the government and the Ontario Public Service Employees Union. As honourable members will recall, the government made a formal offer to send the issue of a separate bargaining category for correctional officers to binding arbitration and to give special wage consideration to correctional staff prior to the union taking strike action.

Notwithstanding my disappointment that some of the union members chose illegal action to back demands on this matter, I am pleased that the illegal strike has ended and that correctional staff have returned to their posts. I am especially pleased that the return to normal at institutions seems to be proceeding without rancour between those who maintained the institutions during the past few days and the correctional officers who took part in the illegal strike. It is my sincere hope that the differences and the high emotions of the last few days will be allowed to subside in order that all staff, particularly those in institutions, will restore and build a new sense of teamwork and esprit de corps.

The Ministry of Correctional Services has a responsibility to the public to provide programs of treatment and training for inmates aimed at assisting them to become law-abiding and contributing members of our society. I am urging all staff in the ministry to rise to the challenge of forgetting the differences of the last few days so we can get on with the job of meeting our responsibilities to the public.

Hon. Mr. Welch: Mr. Speaker, I have a statement but, unfortunately, copies have not yet been delivered for distribution to other members of the House as per the rules. I wonder if I might have permission to proceed or we could revert later.

Mr. Speaker: Permission granted? Agreed.

Some hon. members: No.

Mr. Speaker: No?

Hon. Mr. Wells: Okay, let's wait. Let's wait.

ORAL QUESTIONS

GAS AND OIL SUPPLIES

Mr. S. Smith: I would have been happy to allow the minister to make his statement at this time but I will ask a question and he may well make his statement by way of reply. I want to ask the minister a series of questions that have to do with oil, gas and the National Energy Board figures.

The first question is really this: How could the minister repeatedly assure the House of his confidence concerning the so-called "tight, but manageable" situation with regard to heating oil based on National Energy Board figures, as he repeatedly did on three or four different occasions in the House, when, at the very same time—on August 24, on October 3 and on November 5—he was in fact expressing very grave concern about the reliability and accuracy of the very figures provided by the National Energy Board?

Was he not, in a sense, providing information which could have been misleading to those who heard it, emphasizing his confidence about the situation when he was privately and secretly telling Ottawa he had grave doubts about the accuracy and reliability of the National Energy Board figures? How can he justify his behaviour in this House, given the fact that he was telling us one thing and telling Ottawa something else?

Hon. Mr. Welch: Mr. Speaker, I appreciate the fact that the Leader of the Opposition has raised this question this morning because it does provide me with an opportunity to clarify what I think has been a very unfortunate interpretation of the situation by himself and others who took part in the debate yesterday. Certainly what I wanted to convey and consistently tried to convey is that I was bringing the House up to date in response to questions with respect to the situation as it was at that time. On the assessment of the information I had available, I used the cautious expression that the supply situation was tight, but it was manageable. I don't think one should take any great joy even in that particular evaluation.

[10:15]

As I mentioned yesterday during the course of the debate the information I have to date on the supply of heating oil to Ontario for the coming winter indicates that, barring abnormalities, there should be no shortages. In keeping with the question which has been directed to me by the Leader of the Opposition, I would like to repeat at this time that at no time have I ever said that I trusted any one source of information over another.

Mr. Cassidy: Is the Globe lying: "Trusts Oil Firms' Data Over PM's"?

Hon. Mr. Welch: I didn't write the headline.

Mr. MacDonald: It was a fair interpretation of your speech.

Hon. Mr. Welch: I leave to the honourable House leader for the New Democratic Party the assignment to reread the debate of yesterday afternoon over the weekend. I'll stand by my contribution to that debate. I know he'll have to read it because he wasn't here to take part in it. I know the lack of interest he has.

At no time did I say I trusted any one source of information over another. I did indicate there was some conflicting information and I was personally concerned over the potential for confusion which resulted in the mind of the public. At no time have I considered there was anything like an impending crisis in petroleum product supply.

The National Energy Board in particular provides us with figures which are certainly more up to date than the information we used to get from Statistics Canada. I understand there used to be reliance on those figures.

All I was trying to point out was it's the use that's made of that information, how it's fed into the model, the estimates with respect to demand and the ultimate projections that come from that information, about which I was expressing some concern. The members will recall during that exchange I was indicating there would be great advantage in the federal government re-enacting the function of the technical advisory committee so there could be this combination of federal-industry co-operation in evaluating the information as of that time and updating it. Keep in mind we have this information coming out a little later and I'm told there are frequent changes in this market.

In summary, the information I have shared with the House in response to questions has been as a result of my monitoring the information received from the National Energy Board, information I gather from the private petroleum companies and information available from the federal ministry. Making my own assessment with respect to that has prompted me to give the answers I have given. That would be the approach I would continue to take in order to act responsibly in the public interest and to give the public the information to which they are entitled in

order to formulate their own conclusions with respect to this very important matter of energy supply.

Mr. Speaker: That answer took four and a half minutes.

Mr. S. Smith: I had a supplementary which had to do with the reliability of the NEB on the matter of natural gas surplus which is used as the basis for export. I notice, however, from the statement which the minister intended to make he has a position, belatedly, which the government wishes to take. If we were to revert to statements now, would I then be able to ask my supplementary after hearing the minister's position or would I have missed my opportunity?

Mr. Speaker: Do we have the consent of the House to revert to statements?

Agreed.

Mr. Speaker: The Minister of Energy. This time will be deducted from the question period.

STATEMENT BY THE MINISTRY

ENERGY EXPORTS

Hon. Mr. Welch: Mr. Speaker, I should like to comment on the decision by the federal cabinet yesterday with respect to the export of additional volumes of natural gas to the United States.

As members know, the federal cabinet has given approval for new gas exports to the United States of 3.75 trillion cubic feet of gas over an eight-year period. The decision to allow the export of this large quantity of natural gas at a time when the oil and gas pricing policy agreement is still not completed between Ottawa and Alberta is most disappointing and disturbing to Ontario. It is the position of this government—

Mr. Cassidy: That's not what you said before.

Hon. Mr. Welch: There's nothing inconsistent in this statement. The record is quite clear. Our representations to the National Energy Board and the policy papers on this are all there for the member to read and he knows it.

Mr. Cassidy: We didn't hear you say that before.

Mr. Speaker: Order. Do you want to hear the statement?

Mr. Cassidy: But there wasn't a word before. You keep on saying it—

Hon. Mr. Welch: The reason the member is shouting is because his argument is so weak he thinks volume will compensate for lack of content, that's his problem.

Mr. Martel: Why are you shouting?

Hon. Mr. Welch: I am shouting so that the official opposition can hear. They can't hear because of all the noise to their left. I want also the people of Brock riding to hear. I keep on getting comments back home as to whether or not I'm really standing up in the House and I want to make sure they know I'm here so I'm making these sounds.

Interjections.

Hon. Mr. Welch: Where was I? I notice there aren't any comments coming from the member for Wentworth North (Mr. Cunningham).

It is the position of this government that natural gas supply and pricing policy cannot and should not be decided in isolation from our total energy policy. We have stated that Canada's natural gas pricing and supply policy should include the following elements:

The price of natural gas should not be tied to the price of crude oil; opportunities should be sought to lower the price of natural gas to consumers and encourage them to convert to natural gas; there should continue to be a single Alberta border price for natural gas, adjusted for transportation.

Canadian consumers should have their long-term, 25-years' requirements of natural gas supply protected by means of an appropriate formula. Canada's natural gas supply forecast should not include frontier natural gas until that gas becomes available for the domestic market and should not be used to justify exports of natural gas from western Canada. There should be greatly increased exploration and development in the arctic and other frontier areas in order to prove the additional reserves which would justify the construction of frontier natural gas transportation facilities in time to meet Canada's future natural gas needs.

Additional natural gas exports to the United States—I think it is very important this be reunderlined—should only be considered when Canada's future energy needs have been assured. Compensation for the consumer, should exports of any surplus natural gas from lower-cost conventional reserves be authorized when that means future domestic requirements will have to be met from higher-cost frontier reserves.

Ms. Gigantes: What does that mean? What gobbledegook is this?

Hon. Mr. Welch: For an honourable member that can't tell the dates with respect to statements she's using, I'll be glad to explain that particular paragraph a little later.

Using September information for October purposes, notwithstanding the intervention

of York South and trying to gloss that over, I think it's very interesting; and I understand the member's federal colleagues are even being attracted to use it as well.

Ms. Gigantes: Mr. Speaker, on a point of personal privilege. The minister is suggesting I could not tell the date attached to the material I received from the NEB. Indeed, I could tell the date. The NEB had written "end of October" on it. If the minister has any concerns about who can't tell dates, perhaps he could address them to the NEB.

Hon. Mr. Welch: Mr. Speaker, what kind of gobbledegook was that?

There should be dedication of at least part of the "export price differential" from any new exports of natural gas to develop Canadian crude oil self-sufficiency.

As members know, including the House leader of the New Democratic Party, Ontario appeared before the National Energy Board on August 7 of this year, on behalf of the consumers of this province. If I may, I should like to quote a few excerpts from our closing argument to the NEB, as follows:

"The selection of a policy on an individual energy source in the absence of a thorough analysis of all alternative energy sources is unlikely to result in the best energy policy.

"In Ontario's view, the question as to whether additional supplies of natural gas should be exported should be determined only after other critical energy issues facing this country have been resolved, specifically the supply of crude oil, its price and the price of natural gas to Canadians. These are some of the matters which influence greatly the appropriateness of a decision to export.

"To approve natural gas exports at this time would be out of phase with these other essential decisions.

"If one could restrict oneself to the narrow question of natural gas surplus alone, Ontario would urge that a conservative approach by the board be taken and would support strict application of the board's three-pronged surplus test. In addition, once the tests have been made Ontario would urge the board to satisfy itself that an export of natural gas at this time is in Canada's national interest. To do so, this would mean that the benefits of the exports must decisively outweigh the disadvantages, which latter obviously would include an appreciation of the acceleration of the time when consumers must depend on higher-priced frontier natural gas. However, Ontario does not consider that natural gas exports can be considered alone. The problem is energy, not a particular form of energy.

"Ontario believes the National Energy Board should defer its decision until such time as there is a national energy policy in place."

In summary, Ontario believes the decision of the federal government to allow additional exports of natural gas at this time to be premature and inappropriate.

Mr. Riddell: If I might be allowed a point of order before my leader asks a supplementary, I thought it was agreed by this House that all members should be given a copy of a ministerial statement, particularly one as important as this.

Some of the responses to the interjections and the minister's digressions take up more time than the reading of the statement itself. Those of us who take these matters seriously and don't particularly go along with the levity that is worked into the statement would then be given an opportunity to read through the statement and frame questions they might wish to ask of the minister.

I wonder if we could have copies of these ministerial statements sent to all members of the House.

Mr. Speaker: The honourable member knows that copies of the statement weren't ready when we called that order. It was only by unanimous consent of the House that we were allowed to revert to statements. It wasn't possible to make copies available to all members. The only time we will allow a statement to be circulated generally is when it can be done before the House begins in the morning or at two o'clock in the afternoon. It creates too much confusion to have copies of five statements put on every desk. There would be chaos.

ORAL QUESTIONS
(continued)

ENERGY EXPORTS

Mr. S. Smith: I have a supplementary question of the Minister of Energy, Mr. Speaker. He must surely recall the repeated urgings that came from this side of the House that Ontario take a clear and definite position against the further export of cheap natural gas from Alberta to the United States of America. We have repeatedly asked him to emphasize that position before the National Energy Board made its decision.

The minister kept making reference to the report he gave to the energy board on Ontario's intervention. That report simply stated if the board in its wisdom thought there was a real surplus, then that surplus could be exported, when he knows perfectly well there is no such concept.

The question, therefore, is this: Why has the minister waited until the day after the National Energy Board decision to export further natural gas to stand up suddenly and say Ontario stands resolutely against it? Why didn't he take the opportunity to make that clear at the first ministers' conference? Why didn't he make it clear at the energy board? Why didn't he take every repeated invitation we gave him to put Ontario's position on record, instead of weaseling and waiting until the day afterwards and getting on the bandwagon of what he knows is a political issue?

[10:30]

Hon. Mr. Welch: Mr. Speaker, it has been obvious to the government for some time that the Leader of the Opposition has indeed been attempting, as best he could, to rush onto centre stage to identify himself with government policy in so far as energy matters are concerned. In other words, what he has been doing is reading very carefully what the government policy is, seeing how popular it is and saying, "Me too; this is our idea."

Anyone who professes to be the leader of a political party in this province, who doesn't understand the system and doesn't recognize that this government made the position on behalf of the people of Ontario prior to a decision—it's all there as a matter of record—yet, who could stand up and test the intelligence of the people of Ontario by suggesting that we waited until the day after to make our position clear is absolutely beyond my understanding.

I think the honourable member should really consider his position politically in this province. We will be glad to send him memoranda from time to time to tell him what we're doing so he can identify himself with it, if he finds that of some advantage.

Mr. Cassidy: If I could attempt to get away from the histrionics of the minister and of the Leader of the Opposition, Mr. Speaker—

Mr. Speaker: Will the Leader of the Opposition try to contain himself?

Mr. S. Smith: It's very difficult.

Mr. Cassidy: Mr. Speaker, I draw to your attention, and I remind the minister, that on many occasions the government has refused to take issue with the formula under which the National Energy Board has now decided this 3.75 trillion cubic feet of natural gas can be exported to the United States. The minister's posturings don't hold water because Ontario did not challenge that principle of exports of more than 600 million barrels of oil equivalent.

I ask the minister now, in view of the fact that he has gone public with this opposition, is the government prepared to support and to make time in the proceedings of this Legislature for a unanimous motion of this House which would condemn the federal cabinet decision approving the export order and call on the federal government to rescind the export approval that was given yesterday?

Hon. Mr. Welch: Mr. Speaker, I really feel under the circumstances that everyone is quite satisfied that the position on behalf of the people of Ontario has been pursued vigorously. We have made our position quite clear before the National Energy Board. The position of this government is well understood and the honourable member knows it. All he wants to do under the circumstances is some posturing to identify himself with the position which is quite clearly understood in the national forum.

Mr. S. Smith: Since the minister's position has always stated clearly—even what he told us today—that he is in favour of only those exports which the National Energy Board believed to be genuinely surplus—that was his position, the Premier (Mr. Davis) repeated it many times when I asked him about this, and we said there should be no such concept of surplus, does the minister remember that?—and he stated that if the NEB said it was surplus, it was okay with him, how could he have stated that, when at the same time he did not believe the NEB's figures and had grave doubts about their capacity to derive statistical analyses in matters of oil and gas? How could he rely on the NEB and then come up a day afterwards and say they were wrong?

Hon. Mr. Welch: Mr. Speaker, the Leader of the Opposition continues to misinterpret the remarks I have made with respect to the information from the National Energy Board. I'll leave it there because I'm sure he finds it convenient to continue to misunderstand my position with respect to that information.

The natural gas policy of this government is clearly set out and says the Canadian consumers should have their long-term requirements of natural gas supply protected by means of a formula. I would remind the honourable member to take a look at the statement. That's the position. It always has been the position—I assume I'm answering the member's question—

Mr. Speaker: You are still answering the question.

Hon. Mr. Welch: Under those circumstances, we talk in terms of natural gas exports to the United States under existing

contracts continuing to be honoured, but before there is any change we should see the development of a national energy policy of which the question of the export of this resource would be a part.

Mr. S. Smith: On a point of privilege, Mr. Speaker.

Mr. Cassidy: I have a supplementary.

Mr. S. Smith: I'm sorry, it's a matter of privilege. Does the leader of the third party mind?

The minister continues to say I have somehow deliberately misinterpreted the statement he made about National Energy Board figures. I would quote from yesterday's Hansard.

Mr. Speaker: Order. The very fact there is obviously a difference in interpretation or a difference of opinion really doesn't constitute a point of order or a point of privilege. There may be honest differences, but I don't think we should waste the time of the House to reiterate what our particular positions are.

Mr. S. Smith: Mr. Speaker, he imputed motives.

Mr. Speaker: No, he didn't. I listened very carefully and there was no imputation of motive at all. There is an honest difference of opinion and no more than that.

The member for Ottawa Centre with a final supplementary.

Mr. Cassidy: Is the minister not aware that the surplus the National Energy Board is now allowing to be exported to the United States was created by a change in its test as to what the surplus is and that Ontario on no occasion has challenged the change to a less conservative test which permitted those exports? Does the minister not agree, therefore, that what Ontario has done by its inaction in defending the consumers of this province has been to line up with Joe Clark in selling out Canadian natural gas and selling out to oil companies that want to make a profit in the US?

Hon. Mr. Welch: I would remind the leader of the New Democratic Party of a couple of lines in the statement which I was given the opportunity to read to the House today. I said we found the decision "disappointing and disturbing." As well, at the end of the statement I told the House, "Ontario believes the decision of the federal government to allow additional exports of natural gas at this time to be premature and inappropriate."

I would draw the member's attention to the August policy paper of this government when we set out quite clearly our acceptance of the three tests established by the National Energy Board: the current reserves test; the current deliverability test; and the future deliverability test for determining the surplus of natural gas available for export. Having said that, I would remind the member for Ottawa Centre, who, in fairness, would want to take this discussion one step further, we said there should be no decision with respect to the export of new gas until such time as other matters were clearly in place. I think that's a very important matter to have as an addendum to the question which the member just directed to me.

PETRO-CANADA

Mr. S. Smith: I have a question of the Premier. Since no one in the Dominion of Canada but Joe Clark believes we should allow ourselves to be totally dependent on the multinational oil companies for information or for purchases or for exploration or for any manner of supply, will the Premier now permit this House to pass a unanimous resolution, stating clearly every bit of Petrocan should remain in the ownership of the government of Canada with no ifs, ands or buts and with no weasel words about certain aspects being sent off to the private sector? Will he permit a resolution to be passed in this House, saying every bit of Petrocan should be maintained in the ownership of the government of Canada?

Hon. Mr. Davis: I think the Minister of Energy put it so well a few moments ago in noting how intriguing it is that the Leader of the Opposition, after several years of taking different positions on energy, has now totally accepted this government's policy on energy and the representations we've made to the government of Canada.

Mr. S. Smith: Oh, come off it!

Hon. Mr. Davis: It's true. He has. It's one of the intriguing conversions on the road to Damascus.

Our point of view on Petrocan has been made quite clearly to the government of Canada and to the first minister of this country. He is aware of it and the government of Canada is in the process of determining what it is going to do with respect to Petrocan.

Mr. S. Smith: Let's pass a resolution. What are you afraid of?

Hon. Mr. Davis: I would say to the Leader of the Opposition that while I don't minimize his contribution, he is quite free to make his views known to one of the aspiring leaders of the Liberal Party of Canada; that is, if

he still associates himself with that party. Mr. Macdonald might make a statement on this. He is the chairman of fund-raising and the honourable member is so close to him, so why doesn't he get Mr. Macdonald to make such a statement?

Mr. S. Smith: Supplementary, Mr. Speaker: Can the Premier tell us what he is afraid of and why he can't have this House go on record stating not that some parts of Petrocan should be kept in government ownership, but the whole thing should be kept in the ownership of the government of Canada?

Why can't we have a resolution from this House? What is the Premier afraid of? Just because his dinner companion at Tory fund-raising dinners might not like to hear such a resolution. Why doesn't he have a resolution come forward from the House in Ontario to let him know what the opinion of this province is?

Hon. Mr. Davis: Mr. Speaker, I—

Mr. J. Reed: You are in the barrel on this one.

Hon. Mr. Davis: I am not in the barrel at all. I just say to the Leader of the Opposition if he is seeking some Emmy award or something of that nature I understand it, but his posturing here this morning is really immature. I say that with respect. I think it is silly.

Mr. S. Smith: You can say whatever you damned well like.

Hon. Mr. Davis: He knows full well what we have said. The government of Canada is aware of it and it is their responsibility to make these determinations.

Mr. S. Smith: What about the resolution?

Hon. Mr. Davis: I am not concerned about any debate in the House. Why doesn't the honourable member call for a debate if he wants to have one?

Mr. S. Smith: A resolution. We will call a vote.

Hon. Mr. Davis: A resolution from this House is not going to alter whatever decision is made. The honourable member knows that and I know that.

Mr. Cassidy: Supplementary: Mr. Speaker, as the government is now taking the position —advanced from day one with no ifs, ands or buts—by the New Democratic Party both of Canada and of Ontario, will the Premier explain why at the first ministers' conference on energy, there was not a word to be heard from the Premier of this province to tell Joe Clark and the federal government to keep Petro-Canada in the hands of the people of Canada?

Hon. Mr. Davis: Mr. Speaker, with great respect, all of our documents were filed at the first ministers' meeting. There is only a certain amount of time he is aware—

Interjections.

Hon. Mr. Davis: Listen, why doesn't the honourable member phone his friend, Mr. Broadbent? Ask him to ask the Prime Minister whether he understands that Ontario is in favour of the retention of Petro-Canada by the government of Canada. Mr. Clark's answer to that will be very simply, "Yes."

GAS AND OIL SUPPLIES

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Energy, arising out of some of his statements yesterday. Since the Energy minister has told us he has a special pipeline to the oil companies and other sources of information apparently denied to Joe Clark and other people in the National Energy Board, could he tell us if there have been leakages of refined product or of heating oil from this province into the United States? To what degree has that been affecting the oil supply and stockpile situation in this province? Specifically, would he tell us what is the stockpile situation in this province for gasoline and heating oil compared to a year ago?

Hon. Mr. Welch: Mr. Speaker, there is an unfortunate implication in this question that the Minister of Energy should not be utilizing his office to obtain information from as many sources as he can in order to monitor the situation and to report in a responsible way to the people of Ontario to give them some factual basis upon which they can conduct themselves, rather than all the fancy we heard about yesterday from several of the members from the honourable member's group.

As you know, Mr. Speaker, I am expecting to receive today some update on the situation. Once I have that information I will be glad to respond, particularly to the third part of the honourable member's question on inventories.

I don't know what the honourable member means in his second question referring to leakages. I have no information in connection with that subject.

Mr. Cassidy: Supplementary: Mr. Speaker, the minister is aware that the NEB figures show about 375 million gallons of middle distillates have gone from New Brunswick into the United States over the course of the last 10 months or so.

Hon. Mr. Welch: You said Ontario.

Mr. Cassidy: I don't know what the situation in Ontario is.

How can the minister now get up in this House today and say he doesn't know about any potential leakages or shipments of heating oil from this province to the United States? How is it that he is telling us that he is waiting for figures from the NEB?

How then can he tell us that on the basis of his information, which is better than Joe Clark's, the situation is tight, but manageable, when he now, in response to my question admits he has no such information whatsoever?

[10:45]

Hon. Mr. Welch: Isn't that an interesting, illogical way to put a question. I have never heard the equal of it in my life. If there was a prize for it, the member would have to be the winner of the most circuitous flipping around in a question. Let's take a look at what he is talking about. I said to him on the basis of the total accumulation of information that will be available to us—

Mr. Cassidy: You haven't got any.

Hon. Mr. Welch: Wait a minute. I said we would have that information available and it would be more accurate and more up to date because it would be a result of the November 10 accumulation of data on a total basis, to which I will make a response.

The honourable member then quickly jumped into a document provided to him by the member for Carleton East which has a National Energy Board report with respect to the end of September.

Ms. Gigantes: I provided it to the minister too.

Hon. Mr. Welch: He drew attention to the change in the figures for middle distillates, 1.7 or some such figure. He was told yesterday that represented the in-out situation of a refinery in the Maritimes and that the exported heating oil is that which is derived from foreign crude oil processed in Canada, with the explicit understanding it is for export only. It simply comes in, it is refined and it goes out. It is part of the deal for that particular refinery in the Maritimes. It has nothing to do with Ontario.

Here we are, as usual, with a shotgun approach. Then he can hardly wait to knock over about three people to get out to the television cameras to try to attach some answer to question one that should have been attached to question three. He is an expert at that.

Mr. Conway: Supplementary: I would like to ask the minister if he can give this House an assurance today that the part of eastern Ontario which is more dependent on the Montreal refining base will not find itself in any special jeopardy as a result of the Prime Minister of Canada's remarks of a few days ago.

Hon. Mr. Welch: Barring abnormalities, there should be no shortages. That is my commitment by way of answering that question.

Mr. Martel: I have a supplementary, a very simple question for the minister. Is there leakage out of Ontario or not?

Hon. Mr. Welch: Would the honourable member tell me what he means by is there leakage out of Ontario?

Mr. Martel: Am I allowed to get up again on that?

Mr. Speaker: Yes.

Mr. Martel: In view of the fact there has been leakage out of New Brunswick into the United States, can the minister tell me if the same thing is occurring in Ontario?

Hon. Mr. Welch: If the honourable member is asking me whether or not the situation which is going on in the Maritimes, to which I made reference, is going on in Ontario, I don't know of any such situation.

Mr. Martel: That's what the minister should know before he gets up.

Hon. Mr. Welch: I didn't say I didn't know.

Mr. Speaker: Order. The member for Halton-Burlington. Will the Minister of Energy sit down?

Mr. J. Reed: Would the Minister of Energy undertake to share with the House a strategy for utilizing the reserves that are available to Ontario in case we do have a shortfall? Would he be able to draw up his strategy and share it with the House so that the people in Ontario would know and would be reassured that these supplies will not be cut off, understanding there are some reserves of heavier fuel oil in this province that could be either refined or taken out of stock?

Hon. Mr. Welch: The honourable member does raise some questions which would support the advisability of the federal ministry's getting the technical advisory committee in place so that there could be some co-operative effort between the industry and government to respond with the sorts of solutions to which the member makes some reference.

If he is talking in terms of the hopefully unneeded implementation of the federal legislation with respect to emergency allocations, I attempted to assure him and others

during my estimates that there has been a fair amount of consultation between the officials of the provincial Ministry of Energy and the federal ministry with regard to the implementation program which will have to start, as the member knows, by the appointment of the members to the Energy Supplies Allocation Board. That board will make the determinations on the situation and then certain things fall into place.

I would be happy to keep the House advised on any decisions taken in that regard. Hopefully, simply having the board will provide some assurance for the people of the country that there is a group charged with the responsibility of monitoring the whole supply situation, and in turn allocation.

AID TO CHRYSLER

Mr. Cassidy: I have a question of the Minister of Industry and Tourism regarding the future of Chrysler Canada.

Given that there are 13,000 Chrysler jobs in Canada, and since the company has been asking Canada for sums of money that may approach half a billion dollars in various kinds of assistance and much of that will come from the taxpayers of this province, can the minister say why the Ontario government has dropped out of the action and left the very critical negotiations completely up to the federal government?

Is it true, as the Financial Post reported this week, that the reason this occurred is because Bob de Cotret is a good friend of US Treasury Secretary William Miller? How can the friendship between two ministers justify Ontario dropping out of negotiations so crucially affecting so many workers in Ontario?

Hon. Mr. Grossman: May I say that of course, the relationship between Mr. de Cotret and Mr. W. Miller, if there is one, is not a factor in terms of our involvement or our non-involvement.

Second, our involvement has been intense right from the start. I have been in perhaps weekly contact with Mr. de Cotret on the issue. He has been sharing information with me on the discussions that have been going on. My officials have been to Ottawa several times to meet with his officials. My deputy minister has spoken to his deputy and other senior officials there on a regular basis, so we have been totally briefed and updated on the progress of those discussions.

The first phone call placed was from myself to Mr. de Cotret, before any approach had been made from Chrysler to him, I believe, to indicate the types of things Ontario would want to see occur in this province whether there was any provincial involvement or not. Mr. de Cotret assured me that whether the Ontario taxpayers, the Ontario government was going to be looked to for any assistance or not, no decisions, no undertakings would be made with regard to Chrysler without having our specific input into that decision.

It is obvious, and it was made obvious by me to Mr. de Cotret at that time, that in the event any participation by the government of Ontario was required we were not going to be tagged along on any decisions or undertakings made by the federal government but we would insist upon laying down our own circumstances, rules, conditions and undertakings to our direct participation.

So notwithstanding the words the honourable member used in asking the question, we have been terribly and deeply involved in those discussions on a very close basis from the first word Chrysler would be looking for any assistance from governments anywhere.

Mr. Cassidy: Supplementary: In the light of the very active role this government played in the Ford negotiations, can the minister explain why Ontario has chosen to take a passive role in relation to Chrysler Canada by communicating exclusively, as it appears from his answer, with the federal government, with Senator de Cotret and his officials?

Since the chief government negotiator in Ottawa, Mr. Craig, is saying publicly Chrysler didn't even know how to put a financial proposal together and had almost no analytical research to put forward to justify their case, why wasn't this government in contact with Chrysler Canada about what it was they were demanding? Why wasn't this government talking to Chrysler Canada to lay down tough performance guarantees? Why wasn't this government involved directly rather than just passively in protecting jobs and protecting a vital part of the economy here in Ontario?

Hon. Mr. Grossman: The proposition the leader of the third party is putting would be equivalent to the governor of the state of Michigan having gone in to do the negotiations with Chrysler instead of doing it as part of an overall negotiation led by the federal government of the United States. It would be foolish for this government to try to make a deal with Chrysler and put our money on the table before all the other pieces have been put into place. Obviously our bargaining position would not be very good. If we had been in a position of putting

money on the table at that stage, then we would have been the first of all the jurisdictions, including all the American states in which Chrysler does business and the national governments of the United States and of Canada, we would have been the first, under your scenario, to make a substantial offer.

That is no way to do business. The way to do business is to see what other jurisdictions are prepared to do and make sure the federal government of this country extracts the proper and careful undertakings necessary before we get into the specifics of what Ontario is prepared to do.

I want to stress to the leader of the third party that I do want to know how strong Chrysler is going to come out of this situation before I make an offer of taxpayers' dollars. I do want to know the federal government has acted responsibly enough, that federal governments of both the United States and Canada have put enough money on the table and required enough commitments from Chrysler in order to ensure it will survive over the next 15 or 20 years, before I commit my taxpayers to put up any more money to support Chrysler. There is no other responsible course other than to ensure that Chrysler is going to be in business and have all the necessary pieces put in place before the Ontario taxpayers go to the table and offer them money.

Mr. Speaker: The minister is repeating himself.

Mr. G. I. Miller: Supplementary: Has the minister given consideration to making land available, in view of the large investment in the Townsend townsite in the city of Nanticoke, including the water intake, for Chrysler in that area of Ontario?

Hon. Mr. Grossman: The question of specific site location for any new investment in Ontario has not yet been discussed. We have to first make sure if Chrysler is going to be in business; and second, how many more jobs and what kinds of plants are going to go into Ontario. When we know the type of plant that might come here, then we will be able to talk to them about specific site selection.

Mr. Laughren: Supplementary: Mr. Speaker, I assume the minister has read the quote attributed to Mr. Craig, the federal government's chief negotiator, which states the branch plant has no capability whatsoever. The president of Chrysler of Canada is here to sell damn cars in Canada and he reports to his superiors across the river. In view of that kind of statement by a senior official responsible for negotiations, has the Minister of Industry and Tourism made it perfectly clear to Chrysler that we are not simply interested or satisfied in maintaining existing jobs out there but we want a major commitment to our fair share of new investment, we want a major research and development facility in the province of Ontario, we want our share of new investments for small cars which will be the ones sold in the years to come, and that there be iron-clad guarantees attached to any plants that any part of the public sector provides to Chrysler and that equity be part of that?

Hon. Mr. Grossman: With the exception of the last five words, equity be part of that, I can assure you we have made that decision absolutely clear from day one of the exercise. If the member will check Hansard he will see I confirmed that to the House many months ago.

CORN SHIPMENTS

Mr. Riddell: A question of the Minister of Industry and Tourism: Is the minister aware Ontario corn producers are in danger of losing the last 20 per cent of their crop because they can't get it to market due to the fact the corn elevators along the Great Lakes can't accept any more corn as they can't move it through the St. Lawrence seaway system? Is the minister aware of the terrible situation the producers are in this year? It is not the first year it has happened.

Mr. Conway: Where is the Minister of Agriculture and Food (Mr. Henderson)?

Hon. Mr. Grossman: Those questions should more properly be directed to the Minister of Agriculture and Food.

[11:00]

Mr. Riddell: Supplementary: Surely the Minister of Industry and Tourism should be taking more interest in the agricultural industry, particularly where there is a good export market for soybean, corn and other grains? Would he, along with his federal counterparts, engage in some kind of an initiative to either deepen the water of the locks at Port Colborne or proceed with the twinning of locks at Port Colborne and Thorold so we can move these ships through and get rid of the corn, rather than lose 30 million bushels of corn this year?

Hon. Mr. Grossman: I should tell the member that, in a move with which I'm sure he would agree, it was decided between the then Minister of Agriculture and Food and myself about 12 months ago that we should finally make quite clear that agricultural

products and their export from this province should be the responsibility of the Ministry of Agriculture and Food in order to deal with the perception at that time that perhaps agricultural products were taking some sort of a back seat in terms of our trade missions and our export efforts on behalf of industrial manufactured products in this province.

That wasn't an accurate picture of what was happening but the perception was there. In order to clarify that, it was decided about a year ago that all of the export transactions involved with the export of agricultural products from this province would lie properly in the Ministry of Agriculture and Food.

I know the member would agree with that move and I didn't hear any objections from him at that time. Which is a simple way of saying, as he well knows, that it lies with the Ministry of Agriculture and Food. When the minister is here—

Mr. Riddell: Where is he? Where is the minister?

Hon. Mr. Grossman: He's out working for the good of the farmers of this province, instead of coming here every Friday morning and posturing as though he is the only one interested in that subject in this province.

Mr. Riddell: Every day of the week? Why doesn't he come in here so we can ask him a question?

Hon. Mr. Grossman: Not like the other members who want to come here and posture and ask questions while he's not here.

Mr. Riddell: Are you afraid to bring him in to the House? Does the Minister of Agriculture and Food embarrass you? Is that why you won't let the minister in?

Hon. Mr. Grossman: I have to say if the member for Huron-Middlesex is here on most Tuesdays and Thursdays he'll find the minister is here. There was nothing stopping him from asking that question yesterday, or Tuesday when the minister was here, unless the member himself was absent on those days.

Mr. Ruston: The minister wasn't here all week.

Interjections.

Hon. Mr. Davis: On the matter of the absence of the Minister of Agriculture and Food, I would just say to the member for Huron-Middlesex the minister is not here because he is unwell. I know the member has never missed the House for any purpose whatsoever. I know the member wouldn't understand that on occasion the Minister of Agriculture and Food has a touch of the flu, that's why he's not here. If that upsets the member I can't help it.

ENERGY EXPORTS

Ms. Gigantes: Mr. Speaker, I have a question of the Minister of Energy arising from his statement this morning on natural gas exports. I wonder if he would care to elaborate in clear and simple terms the bottom paragraph on page three of his statement, in which he says, "Compensation for the consumer, should exports of any surplus natural gas and low-cost conventional reserves be authorized when that means future domestic requirements will have to be met from higher cost frontier reserves." What does that mean, Mr. Speaker?

Hon. Mr. Welch: Mr. Speaker, quite simply what it means is that the gas that's presently there and available for export will go at a certain price because of its availability. It's going to be more expensive, obviously, with respect to future reserves on the frontier; that's going to be more expensive gas.

The point is that as we allow the export of the present gas at its price, which is bound to be more reasonable than the more expensive gas, there should be some way of compensating Canadians, who are ultimately going to have to have access to more expensive gas. That's what the bottom paragraph of page three means.

Ms. Gigantes: Supplementary: I wonder if the minister wouldn't agree that instead of getting into elaborate programs of compensation for hypothetical gas in the future, wouldn't it be wise to say clearly and unequivocably right now, "No more natural gas exports, period?"

Hon. Mr. Welch: The position of the government of Ontario is clear. We made a statement today with respect to it. We've intervened before the National Energy Board. We've talked about the fact that the decision with respect to the export of natural gas should not be made in isolation but in relation to the overall natural energy policy. That position is quite clear, and I think it's quite reasonable.

Mr. Conway: On the basis of the minister's statement today, with his expression of the great possibilities of natural gas, what is the Minister of Energy telling those thousands of people in rural Ontario who don't yet have natural gas, who want to convert away from petroleum but have only a hydroelectric alternative and who see a real advantage in natural gas? What is the minister telling them today about their possibilities

for conversion, given what he's said today about the future of natural gas?

Hon. Mr. Welch: Mr. Speaker, the honourable Leader of the Opposition (Mr. S. Smith) quite rightly brought that question to my attention earlier this week and encompassed some concerns about that in his contribution to the emergency debate yesterday.

The members will understand, of course, there is a tremendous conversion program under way at the moment, and I suppose it would not be unreasonable to expect the companies which are presently providing the service are quite busy looking after those who are presently within serviced areas to accommodate that type of conversion.

The future, of course, is the question. The expansion of the infrastructure to cover those areas not now serviced by natural gas is of much interest in at least two or three ways. I understand the companies themselves are presently developing plans with respect to that expansion.

We have some indication with respect to an incentive plan to be developed, and about which more detail will be made available, so that in some pricing way moneys are going to be made available to encourage the distributors with respect to that expansion.

Mr. S. Smith: What about the consumer?

Hon. Mr. Welch: Of course the consumer ultimately benefits because he has access to the fuel.

GAS AND OIL PRICES

Mr. Bradley: Mr. Speaker, I have a question of the Minister of Energy. Would the minister assure the House that if the oil companies use the possible oil shortage as an excuse to increase the price of home heating oil and gasoline, as apparently they did south of the border, he will be amongst the foremost spokesmen, speaking out against this practice?

Hon. Mr. Welch: As the member knows, there's some evidence in the marketplace now that the law of supply and demand has been reflected in some price adjustments. I hope, in keeping with the spirit of the honourable member's question, we would not find companies taking advantage of that situation. If there was any evidence of excess, I could assure the honourable member I would add my voice to his in expressing concern.

Mr. Bradley: Supplementary: Since the present federal government has virtually ignored all of the pleadings of the provincial government of Ontario on questions related to energy, would the minister assure the House if that eventuality does occur, that is if the price gouging does occur using the shortage as an excuse, he will explore all avenues of actions within the admittedly limited provincial jurisdiction to either penalize those who would do that or to attempt to block that from happening?

Hon. Mr. Welch: It's a hypothetical question at the moment. I can't add anything more than I did by way of my answer to the main question. If there is any evidence of excess then I would feel all of us would want to express some concern with respect to that.

I'm not familiar with all the details of the federal legislation, but I would think in the federal legislation part of the regulations, in the event of a shortage which results in the implementation of that, may well be some power to monitor prices by regulation.

FRENCH LANGUAGE EDUCATION

Mr. R. F. Johnston: I have a question of the Minister of Intergovernmental Affairs. Yesterday, La Presse ran a story on the Gabrielle Roy school crisis under the heading: "Le Toronto Board of Education refuse d'accorder comme prévu une école separée aux francophones."

As this issue is no longer just of a local nature but has become part of an emotional and symbolic component of the national unity issue, like Penetang, will the minister not agree it's time for the provincial government to provide its real support to the French advisory committee in its quest for a homogeneous school setting; and secondly, will he tell us what action the government is willing to take to guarantee to the French-speaking community a school of their own by September 1980, as they have been promised before?

Hon. Mr. Wells: Mr. Speaker, I think that question should be directed to my colleague, the Minister of Education (Miss Stephenson), who has responsibility for those matters and I am sure would fully answer the member's question. In terms of the general broad principle and context, I think this government, as we have said many times, has supported the aspirations of the Franco-Ontarians over many years and will continue to do so.

Mr. R. F. Johnston: Mr. Speaker, a supplementary; as the minister again refers to the positive history of the Conservative government in support of the French Canadians, I would look at its past support to the advisory committee when the Minister of Revenue (Mr. Maeck), a year and a half ago, committed himself to providing enumeration

tools so that the advisory committee could develop the very basic democratic connections with their community, a community that is in—

Mr. Speaker: Is there a question in there some place?

Mr. R. F. Johnston: Yes. I would like to ask the minister how he can say the government is providing support to Franco-Ontarians when it can't even provide them with the guarantee they will be able to enumerate in order to find their community, so they can develop a power base to fight for their rights in the city instead of being overwhelmed by community groups in every area and a board that is not willing to support their efforts? At least give them enumeration tools.

Hon. Mr. Wells: Mr. Speaker, on two counts; one, I could enumerate, but it would take me a couple of hours to enumerate, what this government has done on behalf of and with the Franco-Ontarians of this province; second, the matter of enumeration is a matter we agree should be solved, and the Minister of Revenue, the Minister of Education and myself have been working on this and will continue to work on it. We are not opposed to the identification of the Franco-Ontarian community on the enumeration, it is just a matter of finding the proper vehicle; that will be found and it will be done.

AMBULANCE SERVICES

Mr. Conway: A question of the Minister of Health: Will the minister make a statement today as to what he sees for the future of private ambulance operators within the health-care system in Ontario?

Hon. Mr. Timbrell: Mr. Speaker, that's a very broad question, and a very vague one at that.

The existing ambulance system, as the member knows, is made up of a variety of hospital-based, municipal-based, ministry-operated and private ambulance services. I have no plans at the present time to change that mix, although as he knows from the correspondence coming from certain operators, some quite misleading, we are certainly examining our policy with respect to ambulance services for the next 10 years, recognizing that we have made tremendous progress in the last 10 years towards the consolidation of ambulance services and in upgrading qualifications, vehicles and the general level of services.

Mr. Conway: Would the minister then undertake to have an immediate discussion with the private ambulance operators in this province, many of whom are operating under the assumption that it is the clear and private intention of his ministry to phase them out of the system without compensation? Will he take the opportunity in the next few days to meet with them and have a discussion to make them aware of what his policy intentions are?

Hon. Mr. Timbrell: Mr. Speaker, there is no need for such a meeting. There have been several meetings in recent months, some involving my parliamentary assistant, who has been ill the last little while and some involving myself as well as others involving my staff. It is quite clear to the Ontario Ambulance Operators Association, or should be, what my intentions are. There are certain individuals who for their own personal and private purposes are misleading some of the other operators. That is most unfortunate, and I am answering any and all inquiries to that effect.

MINING MACHINERY

Mr. Laughren: Mr. Speaker, I have a question for the Minister of Industry and Tourism. I would ask him if he is aware of a recently published report by the Department of Energy, Mines and Resources on the Canadian content of equipment in mining operations in Canada, and that report concludes, "Canadian content in equipment increases proportionately with increased upgrading of ore."

In view of that conclusion—which report, by the way, this ministry should have done years ago—is the minister prepared to recommend to his cabinet colleagues that the existing exemptions to section 113 of the Mining Act, which apply to Falconbridge—which still has not built a refinery in Sudbury after more than 45 years in that community—be lifted and that they be directed to build a refinery in Sudbury creating at least 2,000 jobs in that community?

Hon. Mr. Grossman: Obviously, any recommendations I might make to my colleagues with regard to any section of the Mining Act would be dealt with inside the cabinet room.

[11:15]

Mr. Laughren: I won't ask the minister to tell us what he is going to say in cabinet. That same report says: "Open pit equipment forms a large part of the total, and is increasing rapidly."

Since there are going to be many projects of an open-pit nature with the tar sands development and so forth out west, and that is going to be a major component in the import of mining machinery, could the min-

ister tell us what he is prepared to do to ensure Ontario gets its fair share of investments in this new kind of machinery, creating jobs and much-needed investment in the province of Ontario?

Hon. Mr. Grossman: We are trying to assess the size of that market and assess the competition in terms of those persons who are already able to supply that market.

I know it's attractive to suggest, because we have a great deal of mining in this country, that therefore all or a good portion of the mining machinery equipment ought to be made here. In fact, as the member knows, 30 or 40 years ago there was a fair mining machinery industry here, and we lost a good portion of it, very sadly.

Mr. S. Smith: During the tenure of your government.

Hon. Mr. Grossman: It's easy to mouth things like that, as though the loss of that was this government's fault.

Mr. S. Smith: Who was the government here in the last 30 years?

Hon. Mr. Grossman: As I recall, it was a Liberal government in Ottawa, if the member wants to blame his predecessor.

Mr. S. Smith: And it was Conservative here.

Hon. Mr. Grossman: The member's leader wants to blame it on who was in office 20 or 30 years ago. I didn't.

Mr. S. Smith: That's right—right here in Ontario.

Hon. Mr. Grossman: That loss has given competitors an enormous advantage in that market. We also must remember some of the manufacturers of that equipment are selling to mining markets that are larger than ours. They have bases in the United States and other areas where the total market is much larger than ours.

Mr. S. Smith: It's a huge market, and you know it.

Hon. Mr. Grossman: With respect, to the Leader of the Opposition, it isn't necessarily large enough to make an operation viable enough to sell only to the Canadian mines.

Mr. S. Smith: It's large enough to give them a leg up.

Hon. Mr. Grossman: It doesn't automatically follow.

Mr. Foulds: A good base for exports.

Hon. Mr. Grossman: The member is quite right. I say to the member for Port Arthur, he is quite right. It should be a good base, and for some operations it might well be a good base. What we're trying to do is to introduce that probability to some of the people who could go into that business here in this province. We're also making available to them all sorts of grants, all sorts of programs, all sorts of government assistance.

I want to make it quite clear that if we get anyone who is prepared to get into that business, to supply any of the equipment the member for Nickel Belt has just referred to, I will recommend to my colleagues at that time that we consider a whole range of programs leading from grants to tax policies that might make it possible and feasible for those companies to work upon what may now be a base for new operations here in Canada.

QUEEN ELIZABETH WAY

Mr. Haggerty: Mr. Speaker, I would like to direct a question to the Minister of Transportation and Communications. Is the minister aware of the poor road conditions on the Queen Elizabeth Way, from McLeod Road in Niagara Falls to the Peace Bridge, in the town of Fort Erie? The dips and dives in the travelled portion of both lanes create hazardous driving conditions. It is almost like being out on Lake Erie in a boat.

Will the minister consider this section in his 1980-81 construction program as a rehabilitative project?

Hon. Mr. Snow: Mr. Speaker, I haven't had any particular problem with that area brought to my attention. I did have a meeting a couple of weeks ago with a delegation from Niagara Falls but this was not mentioned to me. I will look into it and see where it fits into our maintenance program.

TRAVEL FUEL SURCHARGES

Mr. M. N. Davison: Mr. Speaker, I have a question to the Minister of Consumer and Commercial Relations. Will the minister introduce legislation before we recess for Christmas to control the travel fuel surcharge ripoff that is currently being engaged in by Strand Tours and Club Mediterranee Incorporated?

As the minister is aware, these two companies are charging exorbitant and totally inappropriate cancellation fees to consumers who object to or who cannot afford the fuel surcharges that are currently being levied.

Hon. Mr. Drea: No, Mr. Speaker, but I will handle it in another way.

Mr. M. N. Davison: Perhaps the minister would be polite enough to tell us what the other way is. While he is doing that, would he undertake also to investigate Strand Tours to see whether or not they were involved

in underpricing their tours back in the earlier part of this year, which has led to the pressure in that company to charge these surcharge cancellation fees?

Hon. Mr. Drea: I will be very courteous to the member, Mr. Speaker. I am already doing that. I'm not going to tell somebody what to do.

Mr. Breithaupt: Supplementary: The minister said he was going to approach it in another way. Can he share with us what his intentions are? Can he also advise us if there will be some pattern put into place so that the various cancellation charges, if there are to be any, are clearly set out on a scale reflecting the value of the package purchased so that people who are taking on these obligations will know clearly what they might be liable for if there is a cancellation?

Hon. Mr. Drea: I'm extremely reluctant to say in public what I intend to do for rather obvious reasons.

PAYMENTS TO MUNICIPALITIES

Mr. Ruston: Mr. Speaker, I have a question of the Minister of Intergovernmental Affairs. With the announcement of his grant structure for 1980, many municipalities are concerned as to their future planning, especially municipalities that are rural-dominated and would like to stay that way; but they're finding that with the new assessment situation they're going to be under a real bind. Since they have no guarantees for the next five years, they're contemplating whether they should change their planning to more industrial than residential to get away from the totally rural area because of the high increase in the tax structure now. Can the minister give them any assurance so they will know what they're going to do for the next five years?

Hon. Mr. Wells: Yes, we will give them some assurance, Mr. Speaker. In the statement that I made yesterday, I said a couple of things that I hoped would assure them. One was that we didn't believe that the kind of shift that the equalization factors brought about—the shift of more burden on rural areas was a policy that we would support, and that this should be corrected in whatever we do over the next number of years. While the solution we've announced is for 1980, we will have a solution for 1981 and on, that I think will be of benefit to those municipalities, to be announced next July. Many people in the government will be working on that.

Mr. Swart: Supplementary: May I ask the minister if he can justify using one type of assessment system for equalization and another type for the actual levying of taxes? Doesn't he agree that these should be uniform if we're going to have any kind of fairness?

Hon. Mr. Wells: I'm not exactly sure what my friend means. If he means that we shouldn't have a system of modifying the equalization factors and putting some limits on the assessment for grant and apportionment purposes, to prevent some of the hardships, then I don't agree with him. I think we should have that this year.

Mr. Speaker: The time for oral questions has expired.

MOTIONS

STANDING COMMITTEES

Hon. Mr. Wells moved that the standing administration of justice committee be authorized to meet the afternoon of Wednesday, December 12, 1979.

Motion agreed to.

Hon. Mr. Wells moved that the standing public accounts committee be authorized to meet at 9 a.m., Tuesday, December 11, 1979.

Motion agreed to.

INTRODUCTION OF BILLS

LIBEL AND SLANDER AMENDMENT ACT

Hon. Mr. McMurtry moved first reading of Bill 199, An Act to amend the Libel and Slander Act.

Motion agreed to.

ORDERS OF THE DAY

House in committee of supply

ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS

(continued)

Mr. Chairman: I believe when the committee last met, the member for Renfrew North (Mr. Conway) had asked some questions. I don't know if the minister has any comments.

Hon. F. S. Miller: Mr. Chairman, I am sorry. The member for Renfrew North is no longer with us. Oh, here he comes back to his seat. I am going to spoil his whole schedule for the morning. The interviews are cut off.

Interjections.

Hon. F. S. Miller: I hope Hansard doesn't record that.

Mr. Chairman, the honourable member was very flattering in his description of my abilities, my leadership in the role as Treasurer. At least that is the way I read all the notes Hansard gave me. "I haven't undertaken to maintain the same kind of profile or give the same kind of leadership, et cetera." One can interpret that either way. I just assume you mean I am much better. With that kind of comment I will just go on.

There is no question, Mr. Chairman, I believe perhaps this differentiates me from my honourable colleagues, and I really do like it. Of the members in the House, the honourable member is one of the bright lights over there. Mind you, being a bright light in a bunch of dim bulbs isn't that hard.

In any event, his ability to string a series of words together into a coherent sentence is probably unexcelled by anybody on that side of the House. However, that leads him deceptively into the kind of comment he made and that is, he has been judging me by my written word. That is not true of the other gentlemen who are far more able to judge me.

Mr. Peterson: Frank, at least you could hire someone to write that junk.

Hon. F. S. Miller: Well, it is true. But you see, I am a poor, humble engineer. And in the process of being a poor, humble engineer, I have always learned it is not the words one utters that one is judged by in the final analysis, it is what he gets done. Engineers have always been a bit poor on the English course, but pretty good on the production department. I would only ask that we allow history to judge, rather than Hansard.

The honourable member asked me an interesting question in the course of his remarks. He said: "The only thing I have not heard from the Treasurer or from the Premier is an undertaking to personally confront the 58 federal Conservative members representing Ontario in the Clark caucus in Ottawa, whose silence on this matter of vital national interest"—that was oil, of course—"and the pricing thereof has been at least stunning and consistent."

I have had that opportunity. It is not in the future tense, it is past.

Mr. Conway: You and Stan over tea.

Hon. F. S. Miller: No, Stan and I meet quite often. I can only assure the honourable member of the very purpose in my mind. I was asked this question both before and after the conference of first ministers at Ottawa, where a lot of people rapidly jumped to the conclusion that Ontario had been isolated in Canada. Even the federal members couldn't agree with the provincial government on the matter of oil pricing. The other provinces all said, "Let's go to world price." All for very selfish reasons, when you analyse it, and only Ontario was there. Ontario didn't have the swat it used to have.

The people in this world who have the swat, as you and I as elected people know, are the voters. The voters of this province and of Canada had an excellent opportunity on the occasion of the first ministers' conference to start to understand what it meant to them, whether they lived in Prince Edward Island, Newfoundland, British Columbia or Alberta, and what it would cost them from their pockets to see the demands of their governments met in terms of oil pricing.

I have enough confidence to believe that in the interval between that first ministers' conference and today a lot of the members of all three parties, including the 58 gentlemen you alluded to, have all heard from some of their constituents as to what they think. I would bet if you asked any of them privately and off the record what kind of response they heard from their people in Alberta, in Shining Tree, they would say without question, Ontario is right.

Maybe I will leave the Albertans out of this because they see themselves as getting it all. But the bulk of the rest of them will be saying, "Yes, when it comes down to whether I spend the money or my government gets my money, I would rather not see the prices go up on commodities as important to the economy and as important to the average taxpayer's pocket as fuel oil and gasoline." The price of electricity inexorably ends up being tied to these in today's society in most cases, except perhaps in Quebec and BC.

Mr. Laughren: This is a recent conversion.

Hon. F. S. Miller: No. We have been very consistent through all this. If one goes back to the Ontario paper—and everybody loves to ignore that—Ontario clearly said the consumer had to be protected to prevent a bout of inflation and unemployment in the event of a sharp rise in the price of fuel oil and petroleum. That was the immediate short-term objective of Ontario. In fact, if anyone decided to raise the price, we said there had to be a mechanism to get the money back to the consumer.

I was quite accurately quoted one day after a visit to Ryerson Polytechnic Institute. I said I wouldn't trust any government with the money. I wouldn't trust my government with the money. I wouldn't trust the Alberta

government with the money. I wouldn't trust the federal government with the money if it is acting as a dispersing agency. In other words if one has to take the money from consumers in the form of increased energy prices, pass it through governments and then give it back to them, I know only one thing about government, namely, it is going to cost.

The second thing is, I suspect, it won't be fairly redistributed. Therefore, according to the Ontario premise, it is better not to take it at all. Ontario clearly enunciated that policy over and over again, always with the fallback position that if governments do take it, then there has to be a mechanism to protect the consumer until such time as we know the moneys are being properly reinvested in security of supply.

Mr. Haggerty: That applies to the oil industry too.

Hon. F. S. Miller: Yes, but give the oil industry credit where credit is due. The oil industry has been pouring back into reinvestment, it tells me, 88 cents out of every dollar, not of profits. Out of cash flow, and cash flow is more than profits. The real limitations on reinvestment today are the availability of people to build the plants to a large degree and the capability of industry to provide the needed equipment, the structures themselves.

This is where some reason could be attached to the Alberta position in that there is only a certain rate at which Canada is capable of building that plant. That rate will determine, in my opinion, the price—the amount that has to be reinvested. Anything over that is going unnecessarily either to governments or to windfall profits. That was the Ontario position. I can assure you I have personally taken the time to transmit that message. And I know by the way, that others have. I am not alone in having done that.

The honourable member then went on to talk about his own riding and I am trying to get the actual statistic, maybe he will shoot it back to me quite quickly. Twice, he referred to the double digit unemployment of areas such as the one he represents. I don't have the statistic on the unemployment rate in Renfrew county. I am not proud of it, he is not proud of it. I think though what we need to do is look at the one statistic I have, and I may have that before I am through because I sent out for it when I saw that it was not in the data my staff got back to me. Just a moment and I will see if it is here. They are just saying we can't get that specific information.

The one I have that is specific is this: In Renfrew county last year—last year the statistics were worse than this year in Ontario—6.7 of the labour force was receiving unemployment insurance benefits. That compared to an Ontario average of 5.7 per cent. That is an interesting statistic; I would have assumed it would have been higher. Last year I believe the unemployment figures in Ontario averaged somewhere around the seven to eight per cent range. So if one pro rated the increase, that should give us some measure of the statistics in the member's county, for unemployment. They may not reach the double digit range but they are close to it in any event. However, we recognize and accept that assistance is needed there.

As I mentioned in answer to a question the other day, I hope very shortly to be signing the eastern Ontario DREE agreement. That has been finalized; the signing will take place, I think it's safe to say, on December 20, in Kemptville. That remains as yet not totally sure, but assuming the other minister is available and assuming I can make it on time, that would be the time and place. It has been a long time coming. Ontario has been working quite hard to get it, recognizing the need of the whole general eastern Ontario region for assistance.

But let's look not at what hasn't been done, let's look at what—

Mr. Laughren: You gave the back of the hand to Shining Tree, again.

Hon. F. S. Miller: Yes, yes. Am I getting the honourable member's goat?

Mr. Laughren: No. I can give you about 300 of them.

Hon. F. S. Miller: If he can find them I'll be happy because I was going to say if the honourable member was getting my goat I'd like to find his.

Mr. Laughren: I would rather not discuss it.

Hon. F. S. Miller: He would rather not discuss it. I only want to tell the honourable member I am a director of a number of corporations and directors are held accountable for corporations. It's a messy deal.

We have the Renfrew county development strategy. We have the design for development packages, as I am sure the member knows. Let me just put a few things on the record because one purpose of these debates is for members to let their people know what is done in the House and how incompetent this government is. I like to think in turn it's our turn to do the opposite.

Mr. Laughren: They require increasingly less evidence.

Hon. F. S. Miller: Perhaps it's because I can put in increasingly fewer words.

It was suggested that an intergovernmental agency be set up with an advisory role in the co-ordination, implementation and periodic evaluation of the strategy for the development of the county. That task force was formed under the late Peter York and recently we had the reappointment of Russ Radford to that position.

Mr. Peterson: Where is Bill Hodgson today, the guy who called for a quorum last time.

Hon. F. S. Miller: The member doesn't want a quorum call does he? I will say this, one of the things I learned was the clock runs during quorum calls, it that correct?

Mr. Peterson: Maybe there is a graceful way to get out of this mess.

Hon. F. S. Miller: If the member gets to the point where he has nothing to say please call for a quorum.

Mr. Peterson: Hurry up will you, I have to get on because I have to leave.

Hon. F. S. Miller: Oh, well, I waited all of the other days to say all this stuff.

We set up a county of Renfrew and a city of Pembroke economic development board with local representatives. That has been assisted under the community and rural resource development subsidiary agreement, costs shared with DREE. Two hundred thousand dollars have been made available for the use of this board since December 7, 1977. The municipalities involved took until March, 1979, to set up the terms of reference, to appoint their members and to hold the first meeting. Assistance for the board is designed to help the city and the county pursue economic development ideas for the region. It was suggested the city of Pembroke be designated as a major growth point for development and that studies be completed to identify any environmental constraints that would have to be met to determine the adequacy of municipal water in the sewage system. We should consider assistance as the needs were found. They suggested a regional industrial park should be established in Pembroke as soon as possible.

We have funded the industrial park study for Pembroke for $86,000; the servicing study for Pembroke for $33,000; the province and DREE cost shared the design of the new water filtration plant, $317,000; the testing of nutrient removal facilities at the sewage plant, $65,000. The Treasurer sent a proposal to cost share the water filtration plant construction, the sewage plant expansion and the industrial park servicing, to DREE in June. We estimated the cost to be about $14 million. We haven't had any official response from DREE. That may follow once we get the details of our agreement of eastern Ontario but we need that agreement before those water and sewage treatment plants can be upgraded.

It was suggested that the towns of Arnprior and Renfrew be secondary development points. We were to again assess any constraints, sewage, environmental, before that could be done. So, the town of Renfrew was given $390,000 from the regional priority budget of this ministry for trunk sewers to an industrial park and it had a loan from the Ministry of Industry and Tourism to assist with internal servicing. It is also in that park that Westinghouse is going to locate; that was a fairly large deal. Also, Arnprior, is designing a sewage treatment plant with a grant from my ministry of $92,000. It was suggested an industrial promotion team be established in Renfrew. The $200,000 we gave the Economic Development Board can be used for that if it so elects.

On the question of wood inventory, your valley has always had a very strong relationship to the pine. I guess that was the historic source of the square pine, wasn't it?

Mr. Conway: The family is still making money.

Hon. F. S. Miller: Your family is? Are you one of the people I used to come and buy lumber from?

Mr. Conway: Yes.

Hon. F. S. Miller: I used to purchase along with a purchasing agent for Rubberset Company Limited of Gravenhurst, pine from Pembroke. To think that I was supporting a future embryonic Leader of the Opposition.

Mr. Warner: Scary, isn't it?

Hon. F. S. Miller: It is that. He's one of the few cases where two for one has worked. Okay, the inventory of the forest resources is being done I believe by the Ministry of Natural Resources. We are spending about $80,000 on that agreement and we expect once the DREE agreement is signed, there will be another $150,000 in round figures spent on the forest resource inventory.

It was recommended we have a study to determine the feasibility of income improvement and productivity gains in the wood industry and to encourage larger scale operations. That's part of the study we are working on. I am sure if economies of scale exist, like the honourable member, sometimes economics aren't the only answer to life.

I have always sensed in my riding and yours that many people do things the account-

ants would tell us are totally foolish. The scale is too small, the profits aren't good enough, the return on investment isn't adequate. But funnily enough, a lot of people in your riding and mine have some of the most delightful lives around and they have recognized that part of the price of not being quite as economically attractive in their scale of operation has been that there's a closer relationship between owners and labour, between life and country. Both you and I would share the fact they are pretty nice places to live no matter what.

Mr. Peterson: Have you ever thought of the ministry?

Hon. F. S. Miller: What ministry—

Mr. Peterson: The church.

Mr. Chairman: We are doing ministry estimates now.

Hon. F. S. Miller: I've always argued that the more I accomplish here as a minister in this area, the less they have to accomplish in theirs and vice versa. If they manage to perfect the human being through their admonitions and church on Sunday, then I will not have to be a pragmatist in the House on Monday.

That put him right back to sleep.

The Woodlands Improvement Act was recommended to be expanded so that private wood owners would be able to manage their wood lots better. I want to say that having been Minister of Natural Resources, this to me—in your riding and mine—is one of the most attractive ways, both of providing employment and of securing a future for the wood-based industries.

We talk a lot in this House about crown lands and the management of the forests. There are legitimate criticisms of what the crown does on its land, but 25 per cent of total wood production in this province comes from private lands, which count for much less than 11 per cent of the total land mass of this province. The kinds of lands that are privately owned, absolutely and totally deserve and demand good management. The Woodlands Improvement Act is the best mechanism I know of to do that.

It's a system by which, as you know, an agreement is entered into by the Ministry of Natural Resources with the landowner to manage the forests. He only has certain conditions involved, not costs, if that is done. I think they have a minimum acreage of something like five or 10 acres. Past that, the ministry will get in and either give advice or actually perform functions.

It's something you and I need to encourage absentee owners to practise and current harvesters to practise, if the wood-based industries in my riding and yours, are going to have a future. We keep on hearing that crown lands can't sustain the present cuts. Our private lands have much greater fertility in the Ottawa Valley than they have north of North Bay. They have much greater potential. I would suggest that once the DREE agreement is signed there will be moneys available to see this kind of thing enriched. We have a duty to encourage its use by anyone with the lands, whether they are actively living in your riding or not.

It was suggested that we have mapping and exploration of mineral resources on a continuing basis. The mineral resource assessment is being carried out. It's costing $174,000 in provincial funds and $491,000 in cost-shared provincial-federal funds under the agreements we have. That kind of thing worked very well in the north. The field work is complete. The maps and reports, to some degree, are already published, and there has been some interest expressed by mining companies in the area. I guess you've got the only magnesium mine in Canada in your area, haven't you, at Carp?

Mr. Conway: Haley Station.

Hon. F. S. Miller: There was some fear it was going to go across the border a while ago.

There was a recommendation that the ARDA program be evaluated and programs be devised, if needed, to buy marginal farms. The eastern Ontario agreement that we signed will have a clause to see that's done.

There was a recommendation that short-term existing programs and promotion be used to generate investment in the tourism sector. You've had the Pembroke marina under the ARP regional priority budget get $148,000; the Mud Creek development got $33,000; the study on Timbertown, $240,000; the options on Timbertown about $82,000 to date.

Admittedly, some of these things are still saying, "These are what can happen," but you know the process requires a lot of this to be done. If your people are saying, "Studies on studies on studies," I can sense their frustration, but you'd be the first to agree that you won't get the results without the studies. They're done. I think we've shown our willingness to see that the potential be examined.

The eastern Ontario agreement, as you know, will have $50 million, in round figures, for development in the general area over the period of its life. That's combined provincial-federal money.

The Westinghouse plant had a $1.6 million grant to locate a turbine and generator in the town of Renfrew. That was announced in October.

The company will invest $23 million in land, buildings, and equipment and about $7.5 million in training the required personnel. We hope 325 jobs will be created in Renfrew. The Department of Regional Economic Expansion is going to contribute $6.3 million towards the capital cost. The federal Department of Manpower, which is being useful, will contribute $1.7 million towards retraining. In Renfrew South, the Eastern Ontario Development Corporation has given 93 loans and guarantees worth $10.5 million —$464,000 in round figures to assist the town of Renfrew with an industrial park. In Renfrew North, it has made 27 loans and guarantees with a value of $3.4 million.

I could go on to Ministry of Culture and Recreation projects, but I won't. All I wanted to put on the record is that no matter how one is able to tackle us and make us look as if we aren't interested in an area, I can only assure you we are. We've been working consistently to try to help eastern Ontario. We will continue to do so, recognizing the realities of life, namely, that there are certain geographic areas that attract certain kinds of industries while other geographic areas attract others.

Mr. Conway: I know my colleague from London Centre wishes to participate, so I won't belabour the point. I appreciate the Treasurer's remarks in all respects. I have a frustration, which I know a lot of my constituents and friends in the eastern region have, about government trying to deliver services and programs from a point here in Toronto, 250 miles distant from the area requiring the attention.

I'm going to tie those remarks to the remarks the minister made in his opening statement where he talked about his humility as an engineer with respect to the political trade he now engages in.

I'm almost finished with the biography of C. D. Howe. I know my friends on the left would not particularly enjoy some of the policy thrusts. In that personality, was an engineer in politics who certainly was not prone to great Disraelian oratory, to be sure, but in his own right he was able to determine the kind of policies and practical projects that would be applicable in many parts of this country, and he got on with the job.

I certainly expect my friend from Bracebridge or Gravenhurst or wherever to exhibit the kind of decisiveness we normally associate, rightly or otherwise, with the engineering trade. I hope he takes it upon himself to cut through the myriad studies that are entertained. He rattled off a list of several studies involving probably a million dollars or thereabouts. These are studies which in some respects have probably committed this government to some of the most hare-brained schemes ever concocted. I will watch with great interest as the government opposite squirms its unhappy way out of some of the studies and commitments that I think have been improperly entered into.

Hon. F. S. Miller: Could you be specific about those?

Mr. Conway: I would do so perhaps at a later point, given my opportunity to speak very briefly here, and for reasons that I would not wish to embarrass the honourable member with, to be quite blunt about it.

Hon. F. S. Miller: Are you against Timbertown?

Mr. Conway: I shall watch with very great interest the development of Timbertown, knowing what I know about the kind of advice that is coming from the senior economic planners in this government. I shall watch with great interest the attitude of this government to that project over the next 18 months.

Hon. F. S. Miller: My interpretation is you are against it.

Mr. Conway: I am neither for or against the government's commitment to Timbertown. I shall say—and maybe it's time I said it since the minister has provoked me—from my point of view, if we are going to marshall $8 million or $10 million with respect to an economic program that will in one particular way generate a response to the very serious structural employment problems of the eastern region, and particularly my own county, then for me Timbertown is not the answer to that particular problem.

It is being offered by this government as a solution to part of the serious economic unemployment problem in Renfrew county. I have to think that now Joe Clark is giving us $2 a gallon oil, we will see some very immediate and significant changes in the way in which the tourist dollar is spent, not only on the continent, but in the country, and in the province, generally.

When Timbertown was discussed, I looked at the St. Lawrence Parks Commission report to see what impact the OPEC 1973 situation had on the corridor parks along the St. Lawrence. I was quite impressed to see

there was a very sharp drop post 1973 in many cases, and in many of the parks, in Upper Canada in particular.

I must say I would not be against a kind of initiative that brought about a major tourist creation into the county, but I have said repeatedly this Timbertown project is not going to be an answer to the employment pattern of the region.

The honourable minister knows better than anyone in this House that the kind of investment involved here will, by and large, result only in seasonal 10- to 14-week employment. I must tell you that is not the answer to the unemployment problems in Renfrew county. Go forward with Timbertown in its tourist capacity and you will have my blessing, but as far as a major government-supported project to do something about the unemployment in Renfrew county, I want to see this government undertake a project or a series of initiatives that will offer full-time, 12 months of the year employment. I must tell you Timbertown will not do that in this particular way.

When you talked about the unemployment statistics, I was quite interested. You people have more luck than I have. Ever since my friends in Ottawa, the late deceased federal Liberal administration, made that change some years ago about the way in which unemployment figures were made available through regional manpower offices, it is very difficult to get the information. In 1978, according to the Treasurer's figures, we had a 6.7 per cent of the labour force in Renfrew county in receipt of UIC benefits. Did I understand you to say that? I want to be sure of that. My recollection is you said that in 1978, 6.7 per cent of the labour force in Renfrew county in 1978 was in receipt of UIC benefits.

Hon. F. S. Miller: Yes.

Mr. Conway: Fair enough. In 1978, as you know and as my family tells me, the lumber trade was at the top of one of its very best cycles and there is no question from my own experience on a general anecdotal level, that unemployment was reduced in many parts of my county as a result of the cyclical high being experienced in the lumber forest industry.

As the minister knows that cycle is now carrying it somewhat downward, and probably we're not at the bottom yet. I simply want to tell him that I raise the spectre of local unemployment because there are some communities, some of them not too far from Bracebridge, where the winter unemployment is not unknown to be in the order of 20 to 30 per cent.

Joe Clark has now stripped them of their winter works money, and this government has done precious little to fill the vacuum. The people in areas like Whitney and Stonecliffe look at a winter of very considerable discontent with respect of their economic and employment prospects.

I want to say the government has a responsibility which hopefully will be exercised in a provincial sense by strong local political leadership.

The sad thing for those of us who are in our embryonic political stages, is to look across and to think about the goodness of the eastern region over these many long years in generating a plethora of quiet, silent backbenchers to fill the government majorities of the past, and minorities of the present. We see them and remember the old days when the eastern region produced Premiers like Whitney and Ferguson and Frost and very strong regional spokesmen for the far and near eastern region.

What have we got today? What we have today is pathetic, and pales in relation to the historic greatness. If anything points to your end, Mr. Minister, it is the pathetic recruitment of your Tory friends on the back benches from eastern Ontario. Because when I look, in my embryonic way, at the new occupants of the shoes of Frost, Ferguson, Whitney and the rest, I see a very sad effort of third rate mediocre people insofar as the representation in this government and in this cabinet of the serious and real needs of the eastern region.

I have always expected those regional interests to be represented in a strong way in cabinet. The members for places like Ottawa South and Ottawa West are surely no answer to the kind of expectation some of us have.

The government has a tradition, I would that it were otherwise, but it is there and I will acknowledge it. Gone are the days when that tradition recruited and generated truly outstanding regional, provincial and national spokespeople. I certainly have to tell members opposite that at the next election we shall not only note the absence of the present members from at least Carleton East and Cornwall, but I dare say others from across the way, everywhere from South Renfrew to Durham West.

I point out to the minister that I expect him to go forward in his capacity as Treasurer to do something about the many studies being generated, to bring them to some kind of conclusion, to give the people of Cobden, Deep River and elsewhere in my region, a kind of commitment that doesn't

offer pie in the sky, doesn't offer some hope for another millenium, but will offer their kids and their friends and neighbours an opportunity to work and to live in that part of this great province.

I see from the Minister of Labour the beginnings, after many years, of doing something in a very weak and shameful way in some respects, about keeping people such as myself, who are otherwise driven to less noble occupations to justify our staying in the area from which we came.

I invite the minister to go to Kemptville on December 20, or wherever it should be, and to make a clear policy statement of the ongoing, full-time employment strategy that will do something about the double-digit unemployment. Do something.

Mr. Ashe: We could add to the unemployment by adding the member for Renfrew North.

Mr. Conway: I'm speaking to my friend from Bracebridge and that's all the audience I feel I need at this point.

Mr. McClellan: Can we leave?

Mr. Conway: The member for Bellwoods has every dispensation to leave.

I want the Treasurer to do something that will deliver long-term employment to the people I represent and to others in the region. I've got to tell the Treasurer again, the frustration with the task force, for example—what does it say about this government's leadership? What does it really say about this government's leadership?

It took three or four months to just replace the chairman. I certainly thought the late chairman had done a rather adequate job, but in some respects I am deeply disappointed this government took three or four months, or however many months it was, to fill that vacancy.

Does the Treasurer know what the interpretation of that is at places like Renfrew county council? They don't care. They have no appreciation for the urgency of the obligations that fall to us as a result of these requirements. The Treasurer has got to do something to move that task force forward, to decide upon the priorities that are going to mean something for the 1980s, will deliver the jobs to the young people, and to the not-so-young, looking for employment in that region, and to make it clear what his strategy is going to be.

Save us, please, from the strategy of the 1970s which has improvished regions like my own at the expense of many of the Treasurer's friends in the consulting business who have reaped the benefits of a government strategy which seemingly has had more to say and do about the delivering of big contracts for people to study and restudy and study again the very kinds of issues looked at for the last 36 years, without bringing to any conclusion the strategy required if we're going to do something about the 6.7 per cent of the labour force that is dependent on UIC.

Let me tell the Treasurer, those figures are not as accurate as we would like them to be, although they're all we've got to go on.

I would anticipate, and hopefully I will be in Kemptville on December 20 to watch the glare of the television lights, as we have, at last, this promised agreement which I raised, together with my friend from Victoria-Haliburton and others, as late as December 1978 at which time—and I don't have the Hansard here to prove it—we were told we were on the verge of signing at that particular time.

We must have a strategy. We, in the eastern region, must know what it is. It must concern itself with an accommodation to what's already there, recognizing the energy resources around places like Chalk River, the tourist potential of the upper valley, the forest industries that have been there, the agricultural base that exists there. Those four areas are, surely, well established in the tradition of the economic history of the particular region.

I want to see your government move to introduce, in a meaningful way, new and creative programs that will supplement those already there. As the minister knows, the record of DREE in my part of the province, has not been very good. The record of DREE, in the words of my federal associate from Lanark-Renfrew-Carleton, "is less than what we would like to have seen." The governments, both federal and provincial, have acquired pretty bad names as economic players in the local region, sponsoring many fly-by-night operators who have left a residue of unhappiness and obligation that do not reflect very well upon government in its responsibilities.

To conclude these remarks, I look forward to the engineer from Barcebridge getting on with the job; defining some strategic possibilities that will deliver the kind of employment we want; employment that we need, not for 1985, but for the winter of 1979-80, a winter which, thanks to Joe Clark, is, as I said earlier, going to be a winter of some considerable discontent for many disadvantaged people as a result of federal Conservative mismanagement.

Hon. F. S. Miller: Mr. Chairman, C. D. Howe, a man whom I think all of us respect regardless of our party affiliations, would have one advantage or disadvantage, depending on how one looked at it. He had a war going. There is something about a war that allows certain decision-making processes to be shortened.

Mr. Conway: Mr. Minister, which war was going on between 1948 and 1957?

Hon. F. S. Miller: Of course, there was one war going on. The member may not remember it, but we had the Korean war on for a bit of the time. It takes a bit of time to unwind after a war.

Mr. Conway: Read the book, Frank.

Hon. F. S. Miller: I'd be glad to.

Let me talk briefly about Timbertown. The member is quite right when he says it's not a solution. But a solution is a series of parts, I hope he would agree.

The member's own area is dependent upon the wood industry, tourism and one or two other things. The potential for tourist development is good. It is on a major corridor through Canada. While there may be changes in the types of traffic, I sense there may be, still, a good deal of Canadian-based tourism. As a matter of fact, I've gone so far as to say that I sense the world shortages of fuel are changing the patterns of vacationing enough to make Canada, and particularly Ontario, the net beneficiary of the change. I believe that change was evidenced this year in perhaps the best summer the resort part of the tourist industry has seen for some years. That was true across Ontario, and it may be true across Canada.

I have some experience with attractions, as you may well know. Last night I dropped out of character and, in fact, acted as Santa Claus for a party, dressed in a costume. Of course, having read the long list of the kinds of things your riding has got from us, I think the member would be the first to agree that is just simply an extension of my real life operation into my after-working hours.

Timbertown's real use is not just the number of jobs it may create per week. Any major attraction, like the one being built north of Toronto, has to have a fairly lengthy season today to survive. It can't be 52 weeks, but it may easily be 26 weeks, or 28 or 30 weeks.

I believe the one north of Toronto was aiming at 34 weeks a year, a fairly lengthy time. For the 18 weeks it is down, I am sure a large number of people will still be on staff.

That is true of the little business I run called Santa's Village. It is true of others, but what does that one do, in an area that has suffered all the economic problems, for the area? It brings 120,000 people a year through the town. It lets the main street merchant sell them something; it lets the restaurant business sell them something; it immediately stimulates the motel and hotel business in the area.

The spinoff effects of any major attraction, in terms of the support and service industries, is absolutely astounding. What do those industries, in turn, do? Right now at my place we are busy building, as I am sure many tourist operators are, whether they are employing themselves or doing what I do, hiring local builders, plumbers, electricians and contractors. People are at work right now. The tourists have gone home, but the tourist dollars are being spent in the off-season.

The quick dismissal of the small numbers that may be on site overlooks the spill-off effect, which is the very reason for having it.

Ste.-Marie-among-the-Hurons, which is hardly comparable, as it was put there strictly because of its authentic, historic fact, draws tens of thousands—hundreds of thousands of people per year.

Upper Canada Village specifically, located where it was, and I haven't the attendance figures, but something strikes me they attract in the range of 300,000 people a year. That may be going down slightly.

I've had a great fight for the last few years to maintain a steady attendance figure at the village, although sales go up, because we are seeing demographic changes as time goes on. Some people in this world aren't doing their share to maintain the population. I wouldn't want to impugn the member for Renfrew North, but I don't think he has been too productive in that area.

Mr. Conway: My colleague from Renfrew South (Mr. Yakabuski) and I, on average it works out to—

Hon. F. S. Miller: That's true. It's 11.5 each on average. No, maybe we better keep him in Renfrew South—oh no, we need some in Renfrew North because it is getting closer, isn't it? In any case, I just like to say those things.

I would also like to point out to my colleague—no, I wouldn't like to point out to my colleague. The points we just brought up—

Interjections.

Hon. F. S. Miller: I mustn't be taunted this way. I think simply, to say to my honourable colleague, "Let us not discount it." There are some risks, but surely, that is the

only time government is justified in becoming involved in these things.

The province of Ontario wasn't required to put up any money for the Canadian Leisure World, or whatever it is called, at Maple. That is because a set of people, rightly or wrongly, let's not argue the pros and cons of that, especially with my deputy living how close to it? Well close. Let's not argue any of those kinds of issues, the fact is simply that a series of investors, after an analysis, decided they could make a profit on it and decided to do it. They are estimating two to three million visitors a year at that location. The economic spill-off of that would be absolutely fantastic.

I know each person who enters Santa's Village spends about $6.50. They would estimate each person entering there would spend $15. That doesn't mean too much, but how much do they spend in the area? In the area, the multiple is probably 10 to one in total, and that is the multiple we are after.

In the honourable member's area, if the study for Timbertown doesn't bring private money out of the woods through a small business development corporation through an employment development loan, then possibly the role of government is to see that it happens. That is the difference; a few years ago I wouldn't have seen that as necessary.

[12:15]

In Muskoka we had a steam-theme park study, much the same as your Timbertown study. The statistics all show that, given that attraction X-number of hundreds of thousands of people will visit every year, and the benefits to the area will be thus and so. So I say, let us not put it down the tube too quickly.

Mr. Conway: Mr. Chairman, one final comment to the Treasurer. I want to be very clear on this, because I know other members may find this a little too parochial; but it is important to the county of which I am one of the two members. I have no objection whatsoever to this concept being generated and being advanced as part of the tourist sector. Bravo, fine. However, I do want to reiterate my concern with the impression that is clearly being left by the government that this is a centrepiece for long-term structural readjustment within the local economy. It will not do simply what many will expect it to do, and that is deliver full-time employment to many people in the area. It must not be advanced as a solution to that very serious local concern.

As far as a part of the local tourist economy, as I said earlier, I can certainly support it and live with it under the terms that have been advanced by this government. I would not wish to be on the record as being anything other than supportive of it as part of the local tourist mosaic. But it cannot be understood and it must not be advanced as a major job-creation scheme that will somehow deal with the serious unemployment problems under which communities like Renfrew and Pembroke have suffered since the decline of the great lumbering period earlier in the century. That is my concern.

Hon. F. S. Miller: Do you mean when your grandparents cut more trees than they should have?

Mr. Conway: That's right.

Hon. F. S. Miller: I missed one point, Mr. Chairman, in my wrap-up.

Mr. Chairman: Are you going to reply to that?

Hon. F. S. Miller: I am just responding to a point I meant to reply to earlier where he and I both agreed, and that was on DREE assistance in general to Ontario, and he of course was interested specifically in his area.

I would have to say Ontario has never been satisfied that it got its fair share of DREE money. The statistics are simple. DREE expenditures in Ontario were not quite six per cent of its budget. The national per capita spending by DREE was about $20. The Ontario spending was $332. One province, Prince Edward Island, got $265 per capita DREE spending. DREE was aimed at helping less fortunate parts of this country to expand, or to do works that would generate and generally improve their economy.

Our argument with the previous government—and so far we haven't had to stress this too much with the present one, we may have to—has been that they look upon Ontario as an economic whole, rather than a very large province with regions that are just as much in need of economic assistance as any of the other provinces; greater in population, and therefore deserving of special attention. That is why we will continue to press to see that the northern and the eastern parts of Ontario get the kind of assistance through DREE that we believe is fair for the province.

Mr. Warner: It is fascinating to sit here this morning and listen to the economic plans for the province being revealed by the Treasurer. Your answer to our economic ills, it seems, is to create a Florida of the north, turn it into a Walt Disney World. I am surprised you don't want to plant palm trees down University Avenue. In the face of the serious economic problems which this province faces, serious to a structural point in our economy,

your answer is to build a Disney World up near Maple, or some place.

Like the member for Renfrew, I will raise a parochial matter, but it touches on a problem that exists throughout this province. In my riding there was a plant, ESB of Canada, part of the infamous Inco holdings. A more irresponsible corporate citizen one can't find on the face of the earth.

They decided for their own reasons—wanting to get out of a collective agreement, wanting to exploit cheap labour somewhere else—that they would close the plant and relocate it somewhere else. One hundred and sixteen men were thrown out of work. It didn't mean anything to Inco of course. But I will say Mr. Treasurer that some of those people had spent a good portion of their lives doing nothing else but working at ESB. After 20 or 25 years, the thanks they got was to be thrown out on to the street.

I ask the minister, if some workers have only limited skills and training, and if they are aged 45 or 50, in today's world where do they go to find a job when they have been thrown out through no fault of their own? What compounded the matter for some of those men was the fact that they had some Workmen's Compensation Board claims. They had a minor injury on the job and they were still working, but because they have a WCB claim, that's another strike against them when they go to look for work. No recognition of seniority, no recognition of the fact that they had poured 20 years of their lives into creating profits for Inco.

I asked the Minister of Industry and Tourism and the Minister of Labour to do a couple of very simple things to help stop the runaway plants, because ESB isn't alone. I don't know if there are any runaway plants from the Renfrew area, but in total there is apparently somewhere in the neighbourhood of 1,100 in the Metro Toronto area that have run away, to locate somewhere else. So thousands of people are put out of work as that happens. There is no protection for those employees, no protection.

I asked the minister if it didn't make sense, if a company wanted to relocate somewhere else, that they must first guarantee that the wage rate will be the same where they move. Second, the contract will carry through. Third, the first job openings will be given to the present employees and fourth, where those employees agree to take the job in the new location, that the moving expenses be paid. Four very simple, reasonable conditions.

Surprise, surprise. Neither the Minister of Labour nor the Minister of Industry and Tourism could agree with that. They would much rather leave those people to be unprotected and out of work.

Unemployment is a serious problem. No matter how affable the present Treasurer is and no matter how pleasant a person he may be, he cannot hide from the fact that there are thousands of people in Ontario who want jobs and can't get them. Some of those people happen to live in my riding. It is a disgrace, an absolute disgrace. What makes it tragic is the fact that it doesn't have to occur. If the Treasurer had any idea about how to plan the economy of this province, we wouldn't have people out of work.

I'll touch on one of those, one which the Treasurer has done absolutely nothing about and that is foreign ownership. I am right now having the distinct pleasure of reading over the personal opinion letters that are mailed back to me from constituents, there are about 500 of these letters right now.

Mr. Conway: Read them all.

Mr. Warner: I'd be happy to read everyone of them. Almost every single one of these makes a comment on the extent of foreign ownership. Most people are writing down comments to the effect that foreign ownership is costing us jobs. How much longer will we tolerate foreigners owning our economy? Why doesn't the government demand that any foreign investment can be only to the tune of 49 per cent? Of course I have to write back to them and tell them that, in answer to their questions, the government has no intention of limiting the amount of foreign investment. The government has no intention of making sure we retain our economic independence.

What really scares me is that down the line if we don't have economic independence, we may not have political independence. That's not important to this government. It doesn't mean anything. But it does cost jobs, and the minister knows it as well as I do. It costs jobs in two main ways. Foreign ownership of our natural resources and of other industries normally precludes any secondary industries being developed. That's where the jobs are.

My good colleague from Nickel Belt can tell you about the tragedy in the mining machinery industry. He will tell you how we have lost our opportunities to develop real jobs in the secondary industries related to mining, the real jobs that would have been created by having a machinery industry located in the north. My other colleagues from the north can tell you similar stories related

to the other natural resources there, forest products or iron ore, you name it. We have lost jobs and they are not about to be recouped.

The second major way in which we lose jobs through foreign ownership is that when things get tough in the United States, where's the first place to have a plant closing? Canada. Would an American shareholder demand of his company that it close an American plant first, ahead of a foreign one? Of course not. The plant closings we have seen over the past few years have been the result of the economic pressure on the American industry.

This government stands idly by, watching passively and suggesting we can solve the problem by creating a Disney World some place. I think the government lives in a Disney World. I wish the Treasurer would reflect for a moment back to the history of the province of Saskatchewan. He will recall in 1946—

Mr. Conway: I remember it well.

Mr. Warner: You would.

Ms. Gigantes: He wasn't born then. Don't let him con you.

Mr. Warner: No, but he has read every history book going. In 1946, when the CCF came to power, Saskatchewan was the second poorest province in the country. It couldn't borrow money. A third of the provincial budget was used to pay off the interest on the debt. In the midst of that economic problem, they began what is the most important social program Canadians have ever had the benefit of, medicare. They also set out an economic plan whereby they could develop the economy of Saskatchewan.

Thirty years later, they now have what I would guess to be the most strong and viable economy of all the provinces, except perhaps for Alberta which is dripping in oil. The main reason why the province of Saskatchewan has been able to attain economic independence, as much as a province is able to do within Confederation, is that it zeroed in on its natural resources. The delicious irony, about which many of us are so pleased, is that it culminated when the Premier of Saskatchewan went to the money market in New York and borrowed money from the Americans to buy out the American companies in Saskatchewan. That was a landmark for Canadians and something about which every Canadian should be justly proud.

For the first time, the people of Saskatchewan would have some control over the development of their natural resources and every penny of profit would remain within the province of Saskatchewan. It wouldn't be flowing south of the border as the profits from this province do. Further, it would be the people of the province who would be employed to run that industry, not foreigners.

Guess what—production increased, profits increased. The province, I understand, shortly past Christmas will show a plus of $1 billion in its heritage fund.

Hon. F. S. Miller: Thanks to our oil money.

Mr. Warner: No, the Treasurer hasn't been listening, has he? He's tuned out. He's thinking about selling used cars someplace. He's lost between the used car market and Disney World. Why doesn't he put the two of them side by side?

Hon. F. S. Miller: At least I can understand the real world. I've been in it.

Mr. Warner: The real world, Mr. Chairman, is where a province says, "We will develop our natural resources for the people of the province and not for some foreign multinational." That's the real world. That takes courage. It takes courage, but when you get the courage you find out that it works.

The Treasurer sits there shaking his head. I'm not sure whether he is falling asleep or disagreeing with me. If he's disagreeing with me, take a look at the balance sheet for the province of Saskatchewan. Also take a look at the unemployment figures and the cost of living and the social programs they're able to supply.

We're fighting desperately to hold onto OHIP in this province. In Saskatchewan they're expanding their health-care program; free dental care for children up to the age of 12. They're looking at programs for eye glasses and for dentures. They're expanding their social programs. Meanwhile, in this province, we have to fight every inch of the way to protect our health-care system because this government wants to dump it out and give it back to private insurance companies. It's a sad and pitiful day.

It all comes back to the fact that this government doesn't know how to manage the economy of this province. It knows the answers and refuses to do anything about it.

The answer's quite simple and the Treasurer knows it. It comes to having control over our natural resources and developing them so that we could develop the secondary industries, the manufacturing, the finished goods. Why should we send our iron ore or anything else to Norway to be finished? Why should we be sending resources to Japan? Why shouldn't we be developing them here in this province?

The Treasurer says, "Why not? Because we don't dare fight those multinationals. They're too big for us. They're too powerful." Well, the poor little have-not weak sister province of Saskatchewan stood up to the multinationals and used the money from Chase Manhattan Bank and some of those other places to buy out the American companies.

Right here in our own province, a little closer to home, I might refer to de Havilland Aircraft of Canada Limited. The little gang of bumblers presently up there in Ottawa wants to get rid of de Havilland. The Treasurer knows the story of de Havilland. As a private company it was a loser. The government bought it and turned it into a winner. Now, our Prime Minister wants to sell it off. There are no guarantees, at this point, that de Havilland will not move out of this province.

Is the Treasurer prepared—if Joe Clark continues along his stumbling path to rid us of the winners and pick up losers—is he prepared on behalf of this government to take over de Havilland to ensure that it remains in public control and in Ontario? Perhaps he'd like to buy some of the planes and put them in his Disney World.

Surely we can get a commitment from this government, since it knows the successful track record of de Havilland; surely, if Joe Clark is determined to destroy the potential aerospace industry, surely we can get commitment from this Treasurer to retain de Havilland in public hands in this province? Nothing could be more reasonable. I'm still waiting for him to make the statement.

Despite the rhetoric, not only from the minister but from the Premier and the Minister of Energy, we still do not have the assurance that this government will oppose in every conceivable way the selloff of Petrocan. We still don't have an assurance that the minister will oppose the sale of Petrocan in absolutely every conceivable way available to him, through our federation.

I don't need to remind him that part of the debate we had yesterday, part of the fury that's going on in this country from one coast to the other, would have been lessened tremendously had the Prime Minister not decided to meddle with Petrocan.

The Treasurer will recall that Petrocan was on the verge of making a contract arrangement, an agreement, with Venezuela and Mexico, the total of which would have supplied approximately 150,000 barrels of oil a day. Then along comes Joe Clark. Joe wants to get rid of the Canadian interest in the oil industry and Joe wants to turn it over to the Americans. The deal, the potential agreement with Venezuela and Mexico was just so much oil slick at that point. The agreement was never signed and the 150,000 barrels a day—which obviously would be of immense benefit to eastern Canada—is gone. Where was this government? Sitting on the sidelines. I reply to them and I tell them. I send them little copies of your speeches about how to turn the economy around by building a Disney World somewhere. I send them copies of those speeches, Mr. Treasurer.

Mr. Chairman, I don't know how much longer the people of Ontario will tolerate a government which cannot run the economy properly. As they look at other provinces, as they look particularly at Saskatchewan and see how well an economy can be run; see a province which started from a have-not basis, so deeply in debt that no one would lend it money, move to a position where almost all of its citizens are now working, where they have social programs far in excess of what we have in Ontario, and where, on the average, the people are enjoying a much better lifestyle.

Hon. F. S. Miller: Why are you staying here?

Mr. Warner: I'm staying here to turf you out of office and to bring to the people of Ontario the kind of sound economics which the people of Saskatchewan enjoy. That's why I'm here.

Mr. Conway: But are you going to sell their wheat?

Mr. Warner: Sure, would you like to buy some?

I don't know, as I say, how much longer the people of Ontario will tolerate absence of planning. What I do know, through the hundreds of letters that I get, is that the people are aware of the minister's lack of planning and they are frightened about the level of foreign ownership.

I would like to know before we adjourn today whether or not the Treasurer intends to respond to my question about de Havilland, because I think that's an essential item; and second, if he intends to respond to my questions about the runaway plants. I'd like to know whether or not he is going to make any significant changes to that. Those are two specific questions.

Quite frankly, I don't expect the Treasurer to make any commitment about the ownership of natural resources because I know he doesn't believe in that. I know he is quite happy to see foreigners own our natural resources.

Hon. F. S. Miller: That's not the same thing.

Mr. Warner: I will just tell you that I want control of our natural resources here in Ontario. When we are the government that is precisely what we will do—the first order of business. I look forward to the next provincial election—to that delicious opportunity.

While the Treasurer is sitting here not supplying any answers to my questions, my assistant is over with a tape measuring his office.

Other members may have questions to raise and I certainly don't wish to get into a filibuster competition with the member from Renfrew. But I would appreciate it if the Treasurer would answer those two specific questions which I raise. Thank you.

Hon. F. S. Miller: Mr. Chairman, the honourable gentleman from Scarborough-Ellesmere, with the grey vest, emulating those of us whom he despises, reminds me of the man with a blindfold feeling an elephant and trying to determine what he had hold of.

He came in during the middle of my speech, heard one of his colleagues talk about one topic, Timbertown, and assumes that in that he has seen the sum and substance of economic planning for Ontario. Then he reacted, following that, with a lot of comments alluding to that one point.

He talks about the planned economy. I am always delighted when I can get to the true philosophical differences. My colleague from Nickel Belt and I have had this chat before; you and I haven't. I'm delighted when you stand up and differentiate between you and me because I'm proud of the differences. I haven't got the slightest reason to stand here and tell you that I shouldn't differentiate. I should. I should let the people of Ontario know what I stand for and what you stand for.

And I do not stand for public ownership. I stand for Canadian ownership and the two are different. I believe in the public having their ownership through the traditional routes of equity, not through government. That is the only way I have ever seen to make sure companies operate in a profitable manner in the interests of the economy and of the people in that economy.

The planned economics of some of the nations of the world that keep on being thrown at us are fascinating. I could talk about any one of the businesses I have been in but I just compare one.

You tend to forget it didn't rain for about 10 years in Saskatchewan. It's pretty darned hard for any government to make the economy look good in a weak province when there's no rain. You wouldn't remember those days, but I do. I think there is another member or two in this House who do too.

Mr. Warner: Talk about Saskatchewan.

Hon. F. S. Miller: I'm going to talk about that in a minute. My own summer resort handles about 120 guests. I have a staff of 16. I visited a socialist country recently where the summer resort handled 110 guests. It had a staff of 115. My friend, that is how they've solved unemployment problems in socialist countries. They keep giving people jobs whether there is something to do or not. That fundamentally is the difference.

Mr. Laughren: That's so superficial.

Hon. F. S. Miller: Superficial? The fact is it's true. Anybody can keep people working as long as they don't have to put something out at the other end.

You talk about Saskatchewan. Saskatchewan was without question a poor province. Under the NDP government, without question, it has become a very healthy province in an economic sense. The fact that it happens to have had a Socialist government during that period of time does not explain the results.

The member has chosen to say it does. In terms of the charges on its people, the NDP government in Saskatchewan, has to raise 17 per cent of the gross domestic product to run the government, compared to 13.9 per cent in Ontario. That's its own revenue and is apart from other sources of revenue.

In addition to that, for the one million people who live in Saskatchewan they got last year $58.4 million in equalization payments, 43 per cent of which came from Ontario. That's roughly $58 per capita. That's not bad. Ontario has always honoured its commitments to less fortunate provinces like Saskatchewan and sent its money to them. We're just asking that the oil rich provinces now recognize that responsibility as being a collegial one. Now that the resources have been found, thank goodness, in Saskatchewan—any government would look good if it found oil and potash—let us hope its economy continues to improve, in spite of the government the people have chosen to allow to run it.

I heard some comments about de Havilland. The member asked if I would make two public commitments: to keep it in public hands and in the province. My commitment will be to half of that, namely, to keep it in the province. I am going to do everything I can to keep it in the province. If that means public hands, so be it. We'll make every

commitment to do our best to make sure that plant stays here because we're proud of it.

We're proud of the 5,000 people working there. We're proud of the product they make. We're proud of the fact that internationally it is recognized as a very fine company. We're proud of the fact that 85 per cent, I think it is, of its production goes to foreign markets, roughly $200 million this year and $300 million next year. We're proud of that and we're proud that Ontario people have had a part of it. We're going to do our best to maintain it here.

I can assure the member that whatever we have to do we'll be doing it in the best way possible. That doesn't necessarily mean that it's the public way. The aerospace industry has changed somewhat in the last few years since the government took it over. I think it was very important that the government stepped in there—and I'm not a critic of that—at a time when the aerospace industry was on its heels. I would that Canadair were as successful as de Havilland. Canadair looks as if it is but I'm not sure it is. It may be having a few more troubles.

On Petro-Canada, I can only repeat what the Premier said this morning. It intrigues me when people try to claim we haven't said something consistently when we have. The province of Ontario has consistently, through its papers, through its statements, through its Premier, claimed it was in the interests of Canada, even though it may offend some of the basic philosophies of our party, to see that a nationally-owned oil company continues because there are problems in this country in terms of the security of supply that do require a Canadian presence at a national level and not at a parochial provincial level. That is the basic reason for being interested in seeing that no one province can control what happens with a resource.

Mr. Warner: I asked you what you were going to do.

Hon. F. S. Miller: What are we going to do? Listen, we've gone to every conference. We've produced our papers, we've let the Canadian public know, we've stood on the rooftops and yelled.

Mr. Warner: Can't you do anything more?

Hon. F. S. Miller: What can we do, as politicians?

Mr. Warner: Don't you believe you can do anything more?

Hon. F. S. Miller: If there is more we can do, please suggest positive things. You'll find we're listening to you.

There is one last thing I want to point out. This is both good news and bad news. The member keeps pointing out that there is foreign money coming into Canada. It is partly by design, you know. You talk about the high interest rate policy, and whether it's right or wrong.

Leaving that aside for a moment the design of the high interest rate policy is to attract foreign capital. At the same time, it is to insist that Canadians borrow abroad in large dollar amounts. I'm not trying to defend it. I'm only explaining the central bank's thinking because, obviously, if Ontario Hydro is faced with a borrowing of $300 million and there is half a point to a point difference in the interest rates, or you take it out of Ontario Hydro and go to any other major corporation that is free to borrow wherever it will, those kinds of moneys over a period of time matter a lot.

I think I did the arithmetic in February, when we were in New York. One basis point in the loan over a period of 30 years cost $900,000. It was 30 times $300 million times 1/100th of one per cent. If the arithmetic works out it should be $900,000. When they are different by 60 basis points, that's $54 million. That's a very important point to remember. That's not something we do by choice.

There's a second reason why there is some borrowing done abroad. When a corporation like Hydro is required to invest, as it is now, to give us a security of supply of about $1.5 billion or $2 billion a year, in that range, of borrowings, the Canadian market can't always be counted upon to generate that kind of saving. Therefore, one has to have sources in markets on a regular basis to ensure you're recognized, understood, trusted and you have the sources when you need them. We've restricted ourselves pretty well to those.

One interesting thing is half of one per cent of the government of Ontario's funded debt is in foreign currencies.

Over the past five years, the rate of investment in Canada has been 24 per cent of the gross national product. Savings were only 22 per cent. Is our spending rate in investment too high? Or is our saving rate too low? Let's look at something.

In the United States, the rate of savings has only been 14 per cent, so Canadian savings have been much higher than American savings. The fact is we've been going through a very active development period in Canadian history. Maybe we're growing and developing too fast, but when you develop faster than your own rate of savings,

you obviously have to import capital. That's basic to our future.

Imported capital isn't always the drag some of us think it is. It depends on how it's used. If it's used to pay for the current operations of a government, or for any government structure, a new library, a new highway, that's a drag because the money is borrowed in one place, used in the country and interest payments are made. But if it comes into this country and helps us establish an industry, which in turn sells in international markets, and the value added in Canada exceeds the interest payments abroad, it is not only not a drag, it is a positive benefit to our cash balance. Therefore, a foreign investment can not only provide employment, it can, if it is export oriented or import-replacement oriented, actually have other effects upon the economy that are positive.

Growing countries traditionally have had to depend upon foreign capital. The real issue is, are we encouraging Canadians to invest in their country at the desired rate, and by what mechanism. I would argue, as I did in my budget, that Canadians have listened too often to my friends in that party opposite and have become afraid of investing in equity and, in fact, are great investors in debt.

In the budget we took a couple of modest steps to encourage them to invest in equity. I am rather pleased that some of them are doing it, and I can only say that what we need to do is to encourage the unions, with their large funds, and the average home owner to think of Canadian investment.

The best way to make Ford of Canada a Canadian company is to buy its shares as far as I am concerned, because once the shareholders of this country own a good big chunk of it then we have that interest.

Mr. Chairman, the clock being so close to one, may I, at this point, adjourn the debate?

Hon. Mr. Wells moved the committee rise and report.

Motion agreed to.

The House adjourned at 12:58 p.m.

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No. 131

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Monday, December 10, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, DECEMBER 10, 1979

The House met at 2 p.m.

Prayers.

Hon. Mr. Auld: Mr. Speaker, I have a statement to make, but unfortunately I don't have sufficient copies because it was not completed. If I may, I will wait until tomorrow when I can do it properly.

ORAL QUESTIONS

TEACHER-BOARD NEGOTIATIONS

Mr. S. Smith: If I asked where is everybody would that count as my first question, Mr. Speaker?

I will ask a question of the Minister of Education. Given we are now in the 26th school day of the strike in the Brant elementary schools and are continuing with the very divisive and bitter work-to-rule situation in North York; given that in Brant the teachers want arbitration but the board doesn't and in North York the board wants arbitration but the teachers don't; how long will it take before the minister realizes compulsory arbitration of a fair and reasonable kind is the proper way to settle disputes in the educational system and that this business of each side stubbornly clinging to its own demands and refusing to have a referee come in to take over the matter is a poor example to our children—especially in these days when we are asking the children to be better disciplined, yet we have the boards and the teachers refusing to do anything other than use their ultimate weapons in their negotiation of salary disputes?

Hon. Miss Stephenson: Mr. Speaker, I would heartily agree with the Leader of the Opposition that arbitration is an appropriate alternative, in some situations, in resolving labour-management disputes and that it's one which should be considered seriously in the course of any set of negotiations.

The Leader of the Opposition is asking that at this point, in peremptory fashion, without considering the views of all those involved in the labour-management negotiation situation within the school system of Ontario—and I refer to representatives of boards of trustees, representatives of the teachers, representatives of parents' groups with a very direct concern, and representatives of students—without these groups being given any opportunity to place before the external review committee their concerns about the appropriate mechanisms and sanctions which should be introduced in the context of the negotiations between teachers and school boards, that I act in a unilateral fashion, which I believe at this point to be quite inappropriate.

I would ask the Leader of the Opposition to develop his thesis in the best possible form to present as rapidly as possible to the chairman of the committee which is reviewing Bill 100 so it can be considered by that committee which will be reporting to me in the very early spring of 1980. If at that time there are strong recommendations by that committee that major changes should be made to the bill, particularly changes related to the sanctions available under the act—sanctions which I would remind the members of this House were supported by all three parties and were introduced by the then leader of the official opposition—

Mr. Nixon: That's not correct.

Hon. Miss Stephenson: Well certainly the support was there for it at that time, and it was initiated in that part of the House. I do believe the democratic process must and should be permitted to take place in the review of this bill; I would ask the Leader of the Opposition to consider that action seriously.

Mr. S. Smith: By way of supplementary, and I may say I sincerely am pleased the minister is over her laryngitis, I would ask the minister if she's really being serious? Surely she understands this House is the appropriate place for the opposition to put forward suggestions, and given virtually everyone in Ontario who is politically aware recognizes the minister is at some point going to adopt our position, just as her parliamentary assistant already has, why doesn't the minister do so now rather than wait for the excuse of her so-called external review, or wait for an election campaign before she takes our position? Why doesn't she do what everybody knows she is going to do ultimately; that is take our position now, intro-

duce a form of reasonable, professional, permanent arbitration and get these matters settled rather than dragging them out for political purposes?

Hon. Miss Stephenson: I am persuaded from time to time that the Leader of the Opposition did relatively well in his other existence, although there are times when I would have some difficulty in being sure just what to expect as a result of the initial statement made by him. I am not quite sure of the meaning when he congratulates me on regaining my voice: there may be some ulterior motive there.

I would have to remind the Leader of the Opposition he is not a very good prognosticator either, and to tell this House I am going to adopt his position—which I would remind the House was indeed final offer selection—at the end of the external review committee's activities, I believe is using a crystal ball which is either veiled in some peculiar shades or is so totally cloudy he hasn't any idea what is going on.

Mr. Cassidy: Mr. Speaker, would the minister not agree that a major reason there are problems in the working of Bill 100 right now is the chronic underfunding of education there has been across the province over the past few years by this government, the fact that the provincial share of education costs have fallen from 61 per cent to 51 per cent over the course of the last few years, and the fact that despite the minister having had the report from the Jackson commission on declining enrolment on her desk over the course of the last year there has been no action by this government in implementing the recommendations of that report?

Hon. Miss Stephenson: Mr. Speaker, the answer to the first question is no; but I would remind the leader of the third party that we have already implemented some of the recommendations of the Jackson commission, and indeed we did implement them before the final report of the commission was delivered to my desk, which I would remind the honourable member was February of last year.

Mr. Speaker, we have been looking at all of the responses to the Jackson report and the honourable member knows that we will be bringing forward a comprehensive statement on education within this province in the very near future, however I would like to remind the honourable member that if he were to take into account all of the funding which is provided by the provincial government on behalf of education in this province, the total percentage of the provincial contribution is closer to 58 per cent than 51 per cent, and the total decline is not nearly so massive as the leader of the third party would like people to believe.

Mr. Nixon: If the minister cannot report to the House anything from the Education Relations Commission that would indicate an approach to an agreement in the Brant/Brantford situation, is she now prepared to recommend to her colleagues and to the House that we take action in this House to end the strike, certainly before we think of an adjournment during the next week or two?

Hon. Miss Stephenson: Mr. Speaker, I can report to this House that the Education Relations Commission, as the honourable member knows, was actively involved in Brant over the weekend with some progress, although not sufficient progress. There is, I am afraid, at this point a considerable amount of games playing within the Brant situation. I think that must be made public, because it seems to me the children in that area are being jeopardized by the kind of example which is being set in that area, although in fact I have no report that their educational program has been jeopardized at this point.

Mr. Speaker, there is in addition a report from the Education Relations Commission that negotiations took place over the weekend in North York as well. They were not particularly productive, but I can report to the House that at the request of the North York Board of Education I will be meeting with them this afternoon. I do not know the purpose of their request for the meeting, except that they did suggest there was an impasse and they wished to have a discussion with me about that.

Mr. Makarchuk: Supplementary: Given the fact that both sides are adamant and refuse to move at this time, and the fact that this Legislature will cease to function about December 20 and will not resume until about the end of February or March, what does the minister see or foresee as available options, or what actions does she intend to take to prevent any harm in the educational process of the children in Brant due to the fact that possibly nothing will be done for the next two months?

Hon. Miss Stephenson: Mr. Speaker, I am not nearly so pessimistic as the member for Brantford obviously is. It is my understanding that the Education Relations Commission is still carefully and closely monitoring the educational program for the children in Brant, it is also my understanding that they are keeping a very close eye on what is happening; but there can be no solution to

that problem unless the two parties to the negotiation decide they are going to change the attitudes which have been prevalent up until this time. It is my sincere hope they will begin to behave in a responsible way related to the children of that community in order to ensure that the very few items still in dispute are negotiated rationally by the two parties within the next two days. If that were to happen there would be a solution immediately.

[2:15]

NATURAL GAS CONVERSION

Mr. S. Smith: Mr. Speaker, I have a question of the Minister of Energy, if I might have his attention. Given the fact the main reasons for the backlog in conversions to natural gas from oil have to do with manpower and to some extent with weather problems, what has the government of Ontario done to get rid of that backlog, to anticipate the problem and to provide the extra manpower which might be necessary so that this fall could have been used more intelligently to get people converted to natural gas, since the government of Ontario has known for years that natural gas would be plentiful while oil would ultimately be in short supply?

Hon. Mr. Welch: Mr. Speaker, in reporting to the standing general government committee on this subject matter we did share some facts and figures with respect to the tremendous increase in conversions being undertaken by the distributors. It was my understanding, in consulting with them to acquire that information, that they were proceeding to the extent of the resources that were available. There are not just the limitations imposed by manpower but rather by a shortage of some equipment, for example burners which they did not have available.

Mr. S. Smith: Supplementary: Is the minister not aware, as anybody could be by doing what we have done and getting in touch with the two main companies, that the main reasons for the backlog have to do with a lack of manpower and with weather problems? The burners and furnaces were a small matter, they could handle those, but they've lacked the manpower to get out there and do the job. Why didn't the minister, over the late summer and throughout the fall, work with those companies to give them the manpower they need? We have enough unemployed people in Ontario thanks to the previous efforts of his government, why didn't we work with the companies to put those people to work so these conversions could occur?

In particular, would the minister like to comment on what he's done with the companies regarding the matter of Pine Valley Farms in Norval, which has a large greenhouse and wants a gas pipeline? The farm is within 800 feet of a Union Gas line and three miles from a Consumers Gas line, and yet Consumers Gas has a monopoly so the farm is still unable to get the natural gas which could have enabled them to save on other fuel? What is he doing about that?

Hon. Mr. Welch: Mr. Speaker, I'm not familiar with the problem which the honourable Leader of the Opposition raises in the latter part of his question, but obviously I'd be glad to get information to follow up on that particular question.

Certainly, if labour is the only problem being experienced by the distributors in order to step up the conversion, I'm sure they would have programs and resources and access to the labour market in order to step that up. I say to the House quite honestly that in seeking information from the distributors I was told that one of the main problems was the fact that the supplier of some of the equipment that was required was falling behind in his orders, notwithstanding how many more men they might have.

Mr. Cassidy: Does the government have a plan and projection for the rate of conversion from fuel oil heating to natural gas heating over the course of the 1980s? Has the government communicated that plan to the natural gas distributors across the province to see whether it's feasible; and have this minister and the Ministry of Industry and Tourism (Mr. Grossman) and other ministers, as needed sat down to establish where there may be bottlenecks in reaching that target and taken action to ensure those bottlenecks can be ironed out so that the rate of conversion can be achieved?

Hon. Mr. Welch: I think that's a reasonable question. The discussions have been going on for some time. I think a lot of people, including ourselves, are waiting for some of the final details with respect to the gas incentive program to see what resources might be available. It is my understanding that companies will then be attaching certain priorities with respect to the program, particularly as they relate to the results of extensions.

In the meantime, if the companies are doing the reasonable thing they are working in the densely-populated areas to attempt, as

quickly as possible, to respond to the tremendous number of requests there are now for this conversion in the large centres.

Mr. J. Reed: Does the minister recall that when we discussed this matter during estimates of the Ministry of Energy that one of the bottlenecks to increasing the gas infrastructure was identified as the artificial line that was set up giving one gas company a monopoly in one area and another one a monopoly in the other area? I'm sure the minister must recall that. In the light of the very specific mention by my leader, what action has he taken in matters of this kind, where relative to this specific situation the conversion from oil to natural gas would save about 75,000 gallons of heating oil in this next winter?

Hon. Mr. Welch: Is the member referring to the latter part of the Leader of the Opposition's question with respect to Pine Valley Farms?

Mr. J. Reed: Yes.

Hon. Mr. Welch: I indicated when I gave my answer that I would get some further information on that.

AUTO INDUSTRY LAYOFFS

Mr. Cassidy: I have a question of the Minister of Industry and Tourism about the layoffs which have now put one quarter of the workers in Ontario's major industry out of work, that is in the auto industry.

In view of the fact there are 13,000 workers on indefinite layoff and next week there will be 14,000 workers on temporary layoff in the automobile industry, can the minister undertake to call together all of the major companies in the auto industry and in the parts manufacturing industry, as well as the leadership of the automobile workers, in order to bring together plans to resolve the crisis in the industry and get people back to work in Ontario in the auto trade?

Hon. Mr. Grossman: Over the past few months I have met with all the persons of whom the leader of the third party talks.

Although the meeting with the United Auto Workers concentrated on the Chrysler situation, we did take advantage of that very constructive conversation we had in that lengthy meeting to discuss the automotive industry generally. It seemed to me at that time that all of the major automobile manufacturers, the UAW and all of the parts people to whom we have spoken, and we have spoken to all of the large parts firms, agreed with regard to the essential problems we are now facing, which mainly centre around the massive changes the industry is undergoing, as well as the problems in terms of markets.

The market for the automobiles being put out here and in the United States is very bad; it's very slow for the automobiles being made here. The plain fact of the matter is that little will be accomplished in terms of putting those people back to work in the short term through all of us in the province being called together again to simply repeat everything we've all agreed upon over the last several months.

Let me deal with one more item in the short term: I should remind the leader of the third party that in the short term the layoffs in this country, on a percentage basis, are substantially less than the layoffs occurring in the United States.

Mr. Laughren: Our sales are up, too.

Hon. Mr. Grossman: That is absolutely true, and the member's leader acknowledged that was true. The member for Nickel Belt should turn around before he interjects.

The layoffs here are proportionately less than in the United States. We aren't getting too badly treated in that sense.

It is a critical situation and we're most concerned about it. The only point I raise for the leader of the third party is that these solutions take a lot of money and take a period of time to solve. They will be solved, I am confident. I think all of the people with whom we have met, including the UAW, are fairly confident that in the longer term, that is over the next three or four years, they will be solved. I think most analysts of the industry see that after this current year there should be a lot of those people who are currently laid off going back to work.

It's a critical situation, we're not happy with it; but I say to the leader of the third party I think we've done literally everything we can do as a province at this time to deal with that situation.

Mr. Cassidy: Supplementary: Before the Legislature is drowned in the tears being shed by the minister over the critical state of the industry, is the minister not aware that when we were out to see General Motors just a week or so ago for example, we found that company has no plans to bring into Canada, or into Ontario, the small cars which are the wave of the future in terms of providing jobs in the automobile industry in North America?

What action is the government intending to take under the auto pact in order to ensure we are making the cars that will be selling in the future, rather than being

landed with white elephants, cars that are too large and consume too much gasoline to be effective contenders in the North American marketplace over the 1980s?

Hon. Mr. Grossman: The leader of the third party wants to give the impression General Motors is not giving us any share of the action on the new, lighter, fuel-efficient vehicles. The member knows that's not accurate. The member is well aware of the almost $2 billion in commitments General Motors made a couple of weeks ago, which would involve putting a great deal of money into their Windsor plant to begin to assemble the front-wheel drive transmissions that otherwise the member and others would have expected might not have come into Ontario.

The member also knows they just committed money, in both Windsor and St. Catharines to begin to make lighter, more fuel-efficient engines which will enable them to supply their new X-bodied cars. So that Ontario will have a large portion of the new X-bodied cars, their new car of the future as it were.

Look at the press release, it's right there. Two billion dollars directly pointed towards those new cars; these units can't be used in other cars.

The second point is Ford was in the same situation a year and a half ago. The member knows we were there and he knows we made sure they switched to the new V-6 light engines, thanks to the contribution made by the government—the taxpayers of this province more accurately—in order to ensure we had our fair share of the new jobs provided through Ford's new vehicles.

I've also dealt in this House with the situation at Chrysler, where while other governments are talking about putting in bridge financing and bank guarantees I've made it clear as far as the government of Ontario is concerned any financial contribution, be it grant, loan-guarantee or whatever, must be contingent upon Chrysler doing what Ford and GM have done, and that is to put components, plants, factories and employment in this province related solely to the cars to be sold in the next 10 or 20 years—the new technology, the lighter, fuel-efficient vehicles.

These are the things that caused the changeover from the current heavy, larger vehicles being made here to the lighter, fuel-efficient vehicles, not only mandated by American legislation but required by American consumers.

Mr. Laughren: Supplementary: Is the Treasurer—the Minister of Industry and Tourism rather, a slip there.

Mr. Martel: A Freudian slip.

Mr. Laughren: I refer to the minister's ambitions that way.

Is the Minister of Industry and Tourism telling us he is satisfied with the announced investment plans of the Big Three as they apply to Ontario? Further, how can the minister talk about the need for time to resolve the problem? In the 1978 report done by the then Ministry of Treasury, Economics and Intergovernmental Affairs the problems expressed in that report were the same as the problems we're facing today, as a matter of fact they're probably worse today because of the down-sizing changes taking place. When is the minister going to get off the sidelines and into the game and tell the Big Three we're not happy with what is going on, and that their investment plans are inadequate for the future of jobs in Ontario?

Hon. Mr. Grossman: To the leader of the third party—sorry, Freudian slip. May I say, as I have said earlier—he wishes he had Stephen Lewis's job, not his—may I say to the member for Nickel Belt, as I have said here earlier, we have quite seriously told the Big Three we are not satisfied with the current level of investment here. We're terribly dissatisfied with what has now become a serious and perhaps even chronic trade deficit on the auto side and we have to have some things done which will help correct that.

By way of taking concrete action further on the auto parts side, the Premier (Mr. Davis), the Treasurer (Mr. F. S. Miller) and I met last April with the multinational firms and delivered that exact message. We spent a great deal of time talking about research and development and the need to make sure the Canadian subsidiaries get their fair share of the new technology in that area. As a result, we have had one of the big eight in the auto parts side build a new plant here. I've got another coming in to see me and I'm rather optimistic that will result in some more new auto parts activity, involving new technology, in this province.

[2:30]

So I must say to the member for Nickel Belt that I can't accept the analogy that we're sitting on the sidelines. It would be hard for him to find an example of a government that has been meeting with all the players involved more often, more regularly and more aggressively in terms of asking, demanding and trying to arrange for the kinds of things we need in this province.

I should remind the member for Nickel Belt that in some cases when we meet with them we find that investments that might

otherwise be coming here might locate in one of the southern United States, and in those instances I'm happy to be in a position in which I can say to them, notwithstanding the opposition parties in this province, that we are prepared to offer the incentive grants to get those automotive jobs in our province.

PILKINGTON GLASS LAYOFFS

Mr. Cassidy: Bearing in mind these frequent meetings the minister has talked about have led us to a situation where the auto trade deficit this year will be the worst in Canada's history, I do want to ask him another question about a specific layoff in Scarborough at the Pilkington Glass Limited plant which makes auto glass. Has the minister met with Pilkington Glass Limited to talk about their problems and talk about that company's situation? What action does the government intend to take to protect the jobs of the 450 workers in that automobile glass plant, who now find their jobs have been eliminated because of a decision of a multinational corporation which has no other automobile glass production in North America?

Hon. Mr. Grossman: The company met with officials from both my ministry and the Ministry of Labour. We have had meetings to discuss the situation. It is clear, I must say, that this is not one of those instances in which I can hold out much hope, as a result of those meetings, for the company being able to reconsider its decision.

I know the member wants to phrase it in the context of the firm being a multinational to give the full picture. He knows they had a severe loss of business. He knows they lost $14 million or $16 million in the past six or seven months. He knows the company attributes that loss of business to the fact that the firm was on strike for about six months, causing them to reconsider certain investment decisions they say they were about to take.

It is not my job, nor the job of this government, to take responsibility for the decision of that firm, be it multinational or Canadian. It is not my responsibility to comment upon whether that firm's decision might have been different had the union not chosen to strike the plant over the past six or seven months. The member may draw his conclusions and others may draw theirs. The fact is the company has lost $14 million or $16 million in Canada this year and it has decided that it must reassess its position. It has found it has lost certain markets to its two major competitors during the time the plant was on strike, and therefore has reached certain decisions which we cannot alter.

The Ministry of Labour is working with the firm to ensure that they meet all of the current labour laws in force in this province and meet their obligations under the existing union agreement.

Mr. Cassidy: Supplementary: Given the fact that in 10 months we have chalked up a $2.5 billion deficit in our automobile trade with the United States, I assume the minister agrees that we should be producing more rather than fewer components and parts for automobiles in Canada. I would, therefore, like to ask the minister, since there are no other corporations producing auto glass in Canada, what plans does the government have to ensure the auto glass that goes into cars produced in Canada is in future made in Canada and is not imported into this country, with the permanent loss of 450 jobs?

Hon. Mr. Grossman: May I say I believe that some of the business that was being done by Pilkington Glass Limited out of Scarborough has gone to PPG Industries Canada Limited in Owen Sound, the fine town of Owen Sound.

Mr. Cassidy: No.

Hon. Mr. Grossman: The member says no. I must tell him that as a result of our meetings with the firm they have acknowledged that their share of the automotive glass market has gone to Canadian Pittsburgh Industries Division in the fine town of Owen Sound. If that information which we have received and checked out is true, then our automotive parts deficit will not be affected by this particular closedown.

Mr. R. F. Johnston: I would like to direct a supplementary question to the Minister of Labour, if I can, because he has been involved in this process. Is he willing to conduct a full investigation of the labour practices of Pilkington Glass Limited, given that the company shut down the SC2 tank on September 7 as part of a systematic intimidation tactic and subversion of the bargaining process during the 16-week strike? Will he not agree to attempt to determine whether or not Pilkington Glass had actually decided before the strike to close down this line permanently?

Hon. Mr. Elgie: Mr. Speaker, if that allegation is being made by workers or worker representatives then the Ontario Labour Relations Board should hear about it.

[Later (3:00):]

Mr. Cassidy: During the course of the discussion just now about the closing of the Pilkington plant in Scarborough, the Minister

of Industry and Tourism (Mr. Grossman) informed this House there was a plant in Owen Sound, the Canadian Pittsburgh Industries plant, which would in fact be supplying auto glass and is supplying some right now.

The minister was ill informed, Mr. Speaker; his information was inaccurate. We have checked with the company. They are not providing automobile glass right now. They may be doing it for next year. If the minister's information in this case reflects his knowledge of the industry in general then the workers of this province are badly protected by this government.

[Reverting (2:36):]

BRANT DISTRICT HEALTH COUNCIL

Mr. Nixon: Mr. Speaker, I would like to direct a question to the Minister of Health, having to do with the acceptance of the resignations of eight members of the Brant District Health Council, with which he has been somewhat involved. Does the minister not agree with, or at least understand, the problems the members of the health council in Brant are experiencing, which I suggest are part of the problems of other health councils, that put them in conflict in that they are attempting to be an advisory group to the minister at the same time they are supposed to be spokesmen for the community?

Would the minister not agree that instead of simply accepting these regulations and throwing additional problems into the health situation in Brant and Brantford, he might very well put his mind to clarifying their terms of reference, which is really all the dissident members of the health council are asking, so that they will know in the future precisely what they are expected to do and so that they will not be seen simply as whipping boys for the minister, who is trying to shove his responsibilities off onto them?

Hon. Mr. Timbrell: Mr. Speaker, I certainly don't accept the latter part of that question. Let me, if I may, just take a few minutes to describe the message that I consistently have given to the health councils in the three years I have occupied this position. That is that clearly the ministry must retain and must carry out the responsibility for establishing provincial standards. Whether it is the level of funding for health units or the standards for beds or whatever it might be, health planning clearly is best effected when it is assisted by local people.

We accepted a long time ago that having a large concentration of bureaucrats at the centre of the system, at Queen's Park, is not the answer. It is interesting that a recent report prepared for the American government pointed to the Ontario system as a model for health planning, pointing out that we have fewer than one civil servant for each hospital in the institutional division of our ministry, which is a little known fact.

In the three years I have been minister I have met with countless health councils. Wherever I travel in the province I make a point of sitting down with them. We have held a conference regularly once a year for the health councils to review current issues and to explore any problems they are having.

With respect, I think their role is clear, they are advisory. We will accept our responsibility, certainly, for setting the standards; we look to them for advice on how the standards can and should be applied. Clearly that is not easy, especially when you are looking at the institution affected, because you are dealing with traditions, with vested interests, and if I may be so bold sometimes with empires that have to be questioned before you can arrive at a conclusion.

This was a most unfortunate situation, because we are talking about some extremely well qualified people. I regret very much losing their services to the health council, but it was clear on the advice I had from the chairman of the health council, in a telephone conversation as well as a letter—and if the honourable member hasn't seen a copy of that letter I would be glad to share it with him or any other member—it was clear, based on that advice, that we were dealing with something which was inevitable. In the interests of ensuring that the council did not become a lame duck council, and in the interests of carrying on their work in Brant county, I regrettably had to accept the health council chairman's advice to accept the resignations forthwith.

Mr. Nixon: Would the minister not agree that a rubber-stamp council would even be worse? If he is prepared to accept a recommendation from the chairman that eight members of the council should in fact be dismissed, although he did it by accepting their resignations, the chances are the minister is going to get a very pliable group representing the community of Brantford. Such a group will not have the confidence of the people in Brantford and which will leave the minister free to do as he is observed to have done, which is deal directly without going to the council anyway.

Hon. Mr. Timbrell: I am glad the member raised that last aspect, because it seems to me there is a misconception abroad in Brant county which I would like to clear up right now.

There has been a variety of meetings in this last year. The council, the ministry and everyone concerned have been bending over backwards so that we can all work together to develop a rationalized plan, viable from many points of view, for the hospitals in that county. At every meeting in which I have participated the district health council has been represented by the chairman at least and the executive director, and sometimes other members of the council.

Mr. Nixon: They have heard the word "rationalization" only from the minister, it didn't come from the council.

Hon. Mr. Timbrell: With respect, I don't believe that is correct, not in the slightest.

Mr. Nixon: That's what they resigned about.

Hon. Mr. Timbrell: No, with respect, I think it is broader than that. I make a point of making sure the health councils are involved, because one of the quickest ways to destroy the health council is to allow unfettered end-runs and I don't allow them.

Mr. Makarchuk: Supplementary: I hope the minister is aware that all these hand-picked Tories will be supporting the Attorney General (Mr. McMurtry) at the next leadership convention.

Would the minister state whether he did meet with the four administrators of the hospitals in Brant without the benefit of any health council representatives being present? Further, in view of the fact there are vacancies on there, would the minister consider the possibility of holding open public meetings for the election of other representatives to the health council?

Hon. Mr. Timbrell: I am sorry, perhaps because there was a comment behind me, I missed the very first part of the member's question.

Mr. Makarchuk: Did the minister meet with the four administrators from the hospitals in Brant without health council members being present? If so, why did he, when there is a health council?

Hon. Mr. Timbrell: I have already answered that. I said at every meeting in which I have participated with representatives of the hospital, representatives of the health council have been present. What is more, both administrators and board representatives, usually the chairman and in several cases the vice-chairmen as well, have been present.

Mr. Speaker: A new question.

Mr. Makarchuk: He hasn't finished. What about public elections?

Hon. Mr. Timbrell: With regard to the latter, once the health council, working with the hospitals and the medical society, has been able to complete its implementation plan for rationalization, I anticipate early in the new year we will be advertising in the area for interested individuals to come forward, and through the health council we will interview prospective candidates and appoint new members.

CLEANUP OF SPILLS

Mr. Martel: I have a question of the Minister of the Environment. In view of the spill of gas by Bot Construction Limited in 1976 and in view of the spill of gas just recently near Coniston, both of which have resulted in the contamination of the wells of the residents living adjacent to those facilities, can the minister indicate how frequently this type of spill is occurring in Ontario and who is responsible for paying the cost of providing temporary water and bringing about permanent solutions for the lack of water for those people whose wells have been affected?

Hon. Mr. Parrott: I hope my memory doesn't fail me on this occasion. I would think there are in the order of 1,000 spills a year. I could be wrong on that and I will certainly correct it if I am wrong. There are a large number of spills of petroleum products. They are not all of large magnitude; some of them result in no harm, but some of them certainly do.

With the new legislation, the issue of who is responsible will be very clear.

Mr. Wildman: Who is responsible now?

Hon. Mr. Parrott: I guess tomorrow night we will have the privilege of seeing that bill become a fact. At this minute in time it has to be done by negotiations among the companies, ourselves and the residents, which is an unsatisfactory arrangement; that is why the bill was brought into this Legislature.

In the one the member mentioned the responsibility is clearly the company's and I think it is taking that responsibility. It certainly isn't finalized yet. The long-term solution will be a communal well. Right at the minute, as the member is probably aware, there are only filters on those wells. We don't think that is the long-term solution for the problem.

[2:45]

Mr. Martel: In view of the letter which the ministry staff recently sent to a number of my constituents, a letter which I find

offensive in its tone to people whose wells have been polluted, can the minister tell me why there would not be an agreement worked out to operate some of the equipment that's necessary, whereby the people whose wells have been damaged would not have to pay for appropriate electrical systems? If there was damage caused by the equipment that was used the constituents, the people whose wells have been damaged, are held responsible for any damage created by that equipment. Why should the onus be on the people whose wells have been damaged as opposed to those who have created the pollution?

Hon. Mr. Parrott: I had a chance to read that letter. It's my interpretation that the onus for malfunction of the equipment is only so far as it would affect the owner's residence, the same as though he or she had purchased a filter or a pump from someone in the private sector, and if there was a malfunction of that pump the person wouldn't go back to the person who originally sold him that equipment. That's how I interpret that. If the honourable member thinks it is beyond that I certainly would check it again, but that equipment is basically on the property of the person, and therefore if it does go wrong it seems to me it's reasonable to expect they would look after the rented equipment as though it was their own.

NON-ALCOHOLIC WINES AND BEERS

Mr. T. P. Reid: I have a question of the Minister of Consumer and Commercial Relations in regard to dealcoholized wines and beer.

Since the Legislature amended section 3 of the Liquor Control Act in 1975 to allow the minister to place dealcoholized beverages in liquor stores across Ontario, why has the minister not gone ahead with this matter to give people a choice of beverage for themselves and to serve to their guests? Has the minister arrived at any policy in this matter?

Hon. Mr. Drea: Mr. Speaker, the availability of this product—I don't like to say dealcoholized because it is not something the alcohol has been removed from, it is made so that the alcohol content is very low—the acceptance of them in the grocery store, or in the delicatessen, has proved relatively successful. Since that provides an immediate market, it's been chosen to go that route with the product rather than carry it in the liquor stores.

Mr. T. P. Reid: Supplementary: That really isn't satisfactory. As the minister well knows there are lots of problems in selling them in grocery stores.

In view of the fact that the Treasurer (Mr. F. S. Miller) has indicated there is going to be $412 million revenue coming from the sale of alcohol in the province, does the minister not think it might be incumbent upon him to give people that choice by allowing these products in liquor stores? They would then be widely available for people who wish to provide beverages for parties and social gatherings at that same place so that they will be able to have a choice of either an alcoholic beverage or one without the alcohol in it.

Hon. Mr. Drea: I will be very glad to take a look at it again, but it seems to me this is the representative of a party that wants beer and wine sold in grocery stores, that was indicated at their last convention.

We are selling the nonalcoholic beverages. There is no restriction on them being sold in the grocery stores, or outlets other than those of the LCBO. If the member is so intent upon everything being convenient to the public in terms of the grocery store for alcohol products, I must admit I am a little bit baffled by the fact that unless they are sold in a liquor store they won't have acceptance, but I will take a look at it.

They have been, within the limits that can be expected, relatively successful products for the public. If the member is here to tell me there's a great demand out there, that's just not so. One of the problems, too, is that the demand for it isn't quite what people anticipated.

Mr. T. P. Reid: Does the minister have a poll on that?

Hon. Mr. Drea: No, I don't have a poll on it. I happen to know the brewery and the other people who are the agents for that product.

ROYAL COMMISSION LEGAL FEES

Mr. Germa: Mr. Speaker, my question is of the Attorney General, if I could gain his attention. The question is in reference to the rate of pay to legal counsel for royal commissions. Given that his guidelines, as stated on May 11 in this Legislature, were that legal counsel for royal commissions would be paid at the rate of $85 to a maximum of $850 per day, how does the Attorney General justify allowing Mr. Strosberg, who is the counsel to the commission looking into the confidentiality of health records, to bill in excess of $850 per day? Can the Attorney General explain to the people of Ontario

that they are getting good value for their money, keeping in mind that even $850 a day is equal to seven weeks' work at the minimum wage this government imposes on the people?

Hon. Mr. McMurtry: I think the figures as set out in the guidelines referred to by the honourable member are correct as I recall them. So far as Mr. Strosberg is concerned in relation to the Krever royal commission on the confidentiality of health records, Mr. Justice Krever made a request of the ministry that given the demands being placed on Mr. Strosberg that he as commissioner was requesting the ministry to allow Mr. Strosberg to work more than the hours than would normally be expected. Rather than be perceived as not wanting—

Interjections.

Hon. Mr. McMurtry: They asked me a question, Mr. Speaker. I am doing my best to answer it and they don't want to hear the answer. I am surprised. What does one do about such rudeness?

Mr. Speaker: Just persevere.

Hon. Mr. McMurtry: Persevere; upwards and onwards. So given the very crucial importance of this commission and given the importance of Mr. Justice Krever's task, we in the Ministry of the Attorney General did not want to appear to be not assisting him, because I am sure if we had said no, we are not going to allow any departure from the guidelines, that very New Democratic Party caucus would have been accusing us of interfering with Mr. Justice Krever's ability to do his job.

Mr. Germa: Supplementary: Could I ask the Attorney General, is Mr. Strosberg also allowed to bill for Saturdays and Sundays? How does the Attorney General monitor his billings to ensure that the people of Ontario are getting X amounts of hours' work for each hour that he bills?

Hon. Mr. McMurtry: I understand they are monitored by the commissioner, Mr. Justice Krever.

Mr. Nixon: Supplementary: I understand this matter has been repeatedly brought to the attention of the Attorney General, most recently just before the matter that was raised that had to do with his predecessor, John Clement, who is being paid $750 a day by Toronto to look into the size of policemen. Does the Attorney General not feel that somewhere between the minister's policy of noninterference and handing them the keys to the treasury there is a reasonable procedure whereby we can see that there is adequate counsel provided to our royal commissioners and at the same time the people can be assured they are getting value for money?

Hon. Mr. McMurtry: You have to distinguish between the nature of commissions. When a judge is appointed to act as a royal commissioner we are really talking about something in the nature of a judicial inquiry. It has always been the policy of this government, and quite properly so, to allow a judicial officer conducting a judicial inquiry to choose his or her own counsel and to make some of the basic arrangements in order to enjoy and be perceived to enjoy the necessary independence necessary for him or her to carry on a judicial type of inquiry.

STERILIZATION OF THE MENTALLY HANDICAPPED

Mr. Sweeney: A question to the Minister of Health, Mr. Speaker: Given the release last week of the report of the Law Reform Commission of Canada on the sterilizing of mentally handicapped, given the fact the ban in Ontario is due to expire at the end of this month, and given that on September 6 the minister indicated in Charlottetown that he expected to have legislation before the House on this issue this session, where is that legislation? What is the policy of Ontario? What is going to happen?

Hon. Mr. Timbrell: Mr. Speaker, I will be making a statement on that matter dealing with the question of the legislation later this week. As regards the federal report to which the member refers, it is interesting to note they have basically taken due cognizance of the options paper we released in September in Charlottetown.

Mr. Sweeney: Supplementary: How does the minister react to the statement within the report that most such sterilizations are done to protect society from the mentally handicapped rather than in the best interests of the individual himself or herself?

Hon. Mr. Timbrell: It is one of those situations in which we, as legislators, should be careful not to presume to say absolutely, one way or the other, what is right and what is wrong. It is a very difficult situation involving the rights of parents as well as the rights of the individual, particularly the mentally incompetent individual, and one we are going to have to take very great care to resolve.

PARKS CANADA TRANSFER

Mr. Samis: A question to the Treasurer, Mr. Speaker: Could the Treasurer tell the

House what position his ministry has taken on the proposed transfer of Parks Canada's Ontario headquarters from Cornwall to the city of Peterborough with a loss of 180 jobs and a payroll of approximately $3 million?

Hon. F. S. Miller: Mr. Speaker, that issue I do not believe has come directly to Treasury. It may have. I have heard of the proposal but only indirectly, not through any direct contact with my federal colleagues. It may have been through the Minister of Natural Resources (Mr. Auld), who may have heard of it.

Mr. Samis: Supplementary: Since the minister's predecessor, the president of Union Gas Limited, made a very strong public statement opposing the transfer from Cornwall to the city of Guelph in 1977, does the minister not think that in terms of regional development such a change would be not in the interests of eastern Ontario, as the Premier (Mr. Davis) said to some of his friends in Cornwall on his last visit?

Hon. F. S. Miller: I hope I will have the chance to do the same again very shortly.

Mr. Samis: I know the minister will.

Hon. F. S. Miller: Certainly it is not in the interests of the city of Cornwall. I think I could agree completely.

LIVESTOCK PAYMENT DEFAULTS

Mr. Riddell: A question to the Provincial Secretary for Resources Development, Mr. Speaker: As an overseer of the program of the various ministers under his jurisdiction, and in the absence of the Minister of Agriculture and Food (Mr. Henderson), who I understand is still fighting the flu bug, could the provincial secretary tell me why the Minister of Agriculture and Food does not consider the problem of default in payment for livestock to be of sufficient importance or priority to be dealt with in this session of the Legislature, in view of the fact 11 packing plants have defaulted in payment over the last few years, five of them in 1979; and in view of the further fact that this legislation was first promised during the 1977 election, and again by the former Minister of Agriculture and Food who indicated that legislation would be undertaken in the fall session, in other words this session?

Hon. Mr. Brunelle: Mr. Speaker, obviously if my colleague is not back due to ill health within the next few days, I would be pleased to reply to the honourable member.

[3:00]

Mr. Riddell: Supplementary: When the provincial secretary is talking to the minister, would he ask him if he is aware of the shock and the frustration this decision not to come forward with the legislation has produced in the cattle industry, which has been working with the Ministry of Agriculture and Food now for over four years in developing acceptable proposals which were to have been introduced in this session. Is this failure by the minister to proceed with the legislation an indication that this government is opposed to providing legislation for an industry-wide program of protection against default in payment for livestock purchases?

NURSING HOME CHARGES

Mr. Grande: My question is to the Minister of Health regarding the scandalous ripoff of $12.15 per month of every resident in nursing homes since 1976, with the continued blessing of the Minister of Health and his ministry.

In view of the fact that in an answer to the Legislature on April 14, 1977 the minister stated that a nursing home inspector's report, "confirmed the $10 a month charge for marking, mending and ironing of resident's clothes was being applied to all residents, not just those who used the service," and that on November 8, 1977, in his answer to a question on the order paper, he stated he had no statutory jurisdiction because these services are uninsured services; could the minister inform the Legislature what are the blocks which prevent him from gazetting the regulation he proposed in November of 1977, in the recommendations from the review of nursing home legislation to prevent what he calls the excessive rates to residents? Would he also inform the House why he does not prevent nursing homes from applying the exorbitant charges to residents who do not use the services?

Hon. Mr. Timbrell: Mr. Speaker, I had difficulty hearing the question, so I better take it as notice, get it from Hansard, and give an answer later.

Mr. Grande: Supplementary: While the minister takes it as notice, would the minister realize and be concerned about the fact that the nursing home operators, since May 1976 have sponged from the residents $18 million to date, and also be aware that for every month he delays gazetting that regulation, which he's had ready since 1977, $328,000 more is being taken from residents? Further, I wonder if he would find out in the process whether the reasons—

Mr. Speaker: The honourable member is abusing the privilege of the question period. If he wants such detail, obviously, it should

be secured by way of an inquiry of the ministry. Is the minister going to take that as notice also?

Hon. Mr. Timbrell: I will certainly take it as notice; and I will particularly try to determine the basis on which the member makes such allegations in such outlandish numbers.

Mr. Speaker: The member for St. Catharines has about one minute.

LIBRARY GRANTS

Mr. Bradley: A question of the Minister of Culture and Recreation: Does the minister have any plans to channel funds from the regional library systems into the large urban libraries so that they can provide these services in a given area, since it has been proven in many cases, most particularly in the Niagara region, that the regional library systems have not performed the roles for which they were set up and have encountered many financial difficulties, which have been difficult to overcome to say the least?

Hon. Mr. Baetz: The member wanted a short answer: the answer is yes, we are actively looking into this.

REPORT

STANDING ADMINISTRATION OF JUSTICE COMMITTEE

Mr. Renwick, on behalf of Mr. Philip from the standing administration of justice committee, presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bill without amendment:

Bill Pr30, An Act to revive South Russell Holdings Limited.

INTRODUCTION OF BILLS

CONSUMER PROTECTION AMENDMENT ACT

Mr. Swart moved first reading of Bill 200, An Act to amend the Consumer Protection Act.

Motion agreed to.

Mr. Swart: The purpose of this bill is to require that every product offered for sale bearing a product code must also be marked with its purchase price. The bill prohibits increases in the purchase price of a product above the price initially marked on it by the retailer. The bill also provides that if the price marked on the product differs from the price associated with the product code, the purchase price of the product is the lower of the two prices.

MOTION TO SUSPEND NORMAL BUSINESS

Mr. Cassidy: Mr. Speaker, I rise to move that the business of the House be suspended in order to discuss a matter of urgent public importance, of which I have given you written notice, namely the crisis in the automobile industry as reflected in the layoffs and in the very large deficit in our auto trade with the United States.

Mr. Speaker: I have received the notice of motion. The notice of motion is in order. I will listen to reasons why the honourable member thinks the ordinary business of the House should be set aside for an emergency debate. I will hear the honourable member for up to five minutes.

Mr. Cassidy: Two weeks ago I was at the General Motors plant in Oshawa. I had the eerie experience of touring an automobile plant which normally has several thousand workers, but which on that day was completely empty of workers except for one or two people pushing brooms. That reflects the fact that in the single largest industry in the province we have 25 per cent of the workers out on indefinite or on definite layoffs.

In November, 27,000 men and women in the industry were on layoff. The most alarming fact is that this isn't just layoffs of a temporary nature which one finds in the industry from time to time. Half of those workers are on permanent layoff or on indefinite layoff, layoffs that may last for three or six months or longer, because of the crisis which is occurring within the automobile industry.

This is an urgent and pressing matter for this Legislature when one reflects on the fact that next week alone there will be 8,000 Chrysler workers in Windsor who will be put on temporary layoff by that company. Next week alone there will be 4,500 workers at the Ford plants in Windsor who will be put on layoff.

The auto parts industry tells us that they have 8,000 people or more on layoff and the unemployment rate in their industry is 15 per cent, compared to only four per cent in the industry in the United States.

The crisis is compounded by the fact that the layoffs which are now the urgent matter which we wish to have debated this afternoon are compounded by the energy crisis; by the potential bankruptcy of Chrysler Corporation, which is one of the largest industrial corporations in North America; by the huge auto trade deficit, which in 10 months has gotten to $2.5 billion, a sum which exceeds by $600 million the biggest trade deficit

in automobiles and parts that this country has ever had in the past; and by the dependency of our industry on large-car production, which units are the white elephants, as I was saying in question period, because of the changes in the industry and the rapid increase in the sale of small foreign cars in the North American market.

Finally, the crisis exists because of the unwillingness of this government to fight to have Canada negotiate a fair share of automobile production in order to ensure that this major industry is no longer a drain on us here in Canada.

The minister just got up and spoke. He bathed us with his concern, but he sounded about as aggressive as a tabby cat in terms of what he was saying to the Legislature or to the companies. When we asked about what he was doing in one particular sector we learned he doesn't even have his facts straight, and that is contributing to the crisis in the industry which has one quarter of the whole work force in that industry out on layoffs.

When in Windsor alone the real unemployment rate is running at 17 per cent I believe there is a crisis. When the parts industry estimates about 8,000 people out of work I believe there is a crisis which must be debated in this House. When even General Motors is forecasting further layoffs in the new year, clearly there is a crisis.

What we would like this House to examine is not just the short-term situation, but also the inadequate response of the government to the situation and the need for Ontario to step in to see that we are producing the small cars, as well as the parts for small cars, that Ontario will need if we're going to keep in the game during the 1980s.

We had a dialogue of the deaf just two weeks ago in trying to talk to General Motors about the $2 billion investment they say they want to make in Ontario during the early 1980s. That is well under 10 per cent of their North American investment over the next few years, yet here in Canada we have 10 per cent or 11 per cent of their North American market. We're not getting a fair share in that particular area, and the government is not prepared to insist that we get that fair share.

Ford is planning to spend $20 billion in 1985 on new facilities. In this country we have promises of an engine plant worth half a billion dollars and a casting plant worth $50 million. It may sound like a lot but it's nowhere near a fair share. Because we don't get a fair share of investment the crisis we face today is going to be a continuing crisis in this particular industry, unless we get a change in policy from this government as well as from the federal government. That, too, is a reason for the emergency debate.

Mr. Speaker: The honourable member's time has expired.

Mr. Cassidy: I want to say finally, Mr. Speaker, that learning, as we did last week, that this government has opted out of the negotiations with Chrysler Canada, is another reason this urgent matter should come to an emergency debate here in this Legislature today.

Mr. Nixon: Mr. Speaker, I have the impression, since the leader of the NDP persisted in going over his time, that he feels perhaps his case in this connection is a bit weak. We agree, however, that the level of unemployment is a matter of concern, as it was yesterday and as it undoubtedly will be tomorrow.

The Minister of Industry and Tourism (Mr. Grossman) just completed his estimates last week. There was every opportunity for the matter to be discussed and I understand it was discussed in some detail.

Naturally question period may be used, as it was today, for the kind of specific exchange of information that is useful to all members of the House, and thereby to the public at large. The fact that concurrence in the minister's estimates will be scheduled some time later this week or early next week would provide another opportunity.

Mr. Speaker is the person who has to judge whether under our rules the matter proposed for discussion relates to a genuine emergency calling for immediate and urgent consideration. If he does so rule, we do not want to stand in the way of such a debate this afternoon. We want to associate ourselves with those on all sides who want to see the level of employment increase.

The fact is that people, not only in this province but even in this House, avail themselves of the products built by the automotive manufacturing industry in this province and built by the members of the UAW. It's interesting that when I look over the parking lot of the NDP I see a Peugeot station wagon sitting there and a couple of Audis. While I understand they are very good cars, it seems to me their policy should begin even closer to home. If they would follow the good example of my esteemed colleague the leader of the Liberal Party and drive a Ford Fairmont, they would be well served by transportation and also serve well in supporting the industry.

Interjections.

Mr. Nixon: I'm glad to have aroused the members to my left who are expressing such concern in this matter.

[3:15]

I do recall, and perhaps the Treasurer (Mr. F. S. Miller) will recall too, that before the election of 1975 we were in a period when there was some considerable unemployment. There was more unemployment than now and the government of the day took some initiative. They withdrew the sales tax on new automobiles for a few months just before the election. They committed over $600 million to the economy at that time in an attempt to buy a majority, in which they sadly failed. It's obvious the government can take action when an emergency presents itself. It may well be there will be such action presented by the government, particularly if they sense an election in this province in the offing.

We are in your hands, Mr. Speaker. If, in your judgement, this is a matter of urgent public importance, we are quite willing, in fact anxious, to proceed with the debate.

Hon. Mr. Grossman: As we've discussed time and again during question period in this House, we have what is obviously a long-term problem in the automotive industry. It's one we've been aware of for some time and have done a considerable amount of work on, as has the federal government.

The point I want to make on whether we should have an emergency debate here this afternoon is that this situation is not one that is solved on the floor of this Legislature. Many other forums and levels of government must be involved, because we don't have a problem that's unique to Ontario in any way. It involves discussions in the House of Commons, in the United States Congress, in the United States Senate. It involves long-term solutions dealing with everything from the availability of gasoline and energy right through to tax situations and the auto pact, hardly matters which can be resolved here this afternoon.

In terms of the extent of the crisis, it is a difficult one. I won't apologize to the leader of the third party, who has now left the assembly, for being concerned about the situation.

Mr. S. Smith: He's out warming up his Peugeot.

Mr. Martel: Where is dirty little Bill?

Hon. Mr. Grossman: He's out counting Peugeots.

The fact is the situation is not nearly as critical—I've only got three minutes guys—as it was in 1975. The layoffs to date, while they're serious, are several times smaller than in 1975.

For example, we have not received representations from the union and others, as was the case in 1975, leading to some of those very constructive measures the member for Brant-Oxford-Norfolk has talked about that this government took at that time.

May I say there are other forums in which this matter can be discussed. We did discuss it in my estimates last week and, for the benefit of the House the third party did not take an extensive length of time on it, although we did cover the matter quite well. At that time we discussed it, as we had earlier, and yet another opportunity is coming in terms of concurrence in those estimates in this House. Treasury estimates are due to proceed this afternoon. This is another point of impact for a proper discussion on the auto situation. Labour estimates are on, I believe this evening or tomorrow evening, which is another opportunity where this might be discussed rather than taking the time of this House.

The main point is this: what has happened in the car and automotive industry is a severe market problem. Sales are off in terms of United States cars, if not Peugeots. In terms of North American vehicles they're off 20 per cent this year. That is not a problem created by either this government or in this Legislature, nor is it one that can be solved in this assembly.

The sales for the Big Three North American automobile makers are down as follows: Chrysler is off 39 per cent; General Motors is off 21 per cent; and Ford is down 20 per cent. If we are to take the time of this House to discuss that North American fall-off in market, I suggest we will have to be here day after day having emergency debates as various sectors of the economy go through cyclical changes in markets. If we have an emergency debate today on this subject, tomorrow it will be on wheat, agricultural products, electronic products, electrical products or whatever. The important thing is whether this province is holding its own during those cyclical changes.

If this debate proceeds we will have an opportunity to talk about some of the structural things we are doing to buffer our people against these situations. I would remind the House that we obviously have succeeded in some of those things, because our layoffs so far in the automotive industry in this country are 9.4 per cent, while layoffs in the United States are 14.8 per cent to date.

Mr. Speaker, I say to you quite simply, if this situation calls for an emergency debate now, basically upon the North American market for the automobiles being made, then I say to you we will be having emergency debates every time there is a change in market conditions throughout North America.

Mr. Speaker: Order.

I have listened to the debate from representatives of all three parties. I listened very carefully to the question period. While everybody is of one mind that it is of great importance to everybody in Ontario, it is a question that has been raised here on numerous occasions.

There has been ample opportunity for discussion, both in question period and in estimates. As has been mentioned, there will be a further opportunity later on this week during the concurrence motion on estimates of the Ministry of Industry and Tourism.

I find this matter does not lend itself to an emergency debate because it does not highlight one specific event. It must relate to a genuine emergency, calling for immediate and urgent consideration. It seems to me that is one of the issues we have been involved in on a continuing basis over the last several weeks. I find it does not meet the requirements of standing order 34.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS

(continued)

On vote 901, ministry administration program; item 1, main office:

Mr. Chairman: Are there any further comments or questions on item 1 of vote 901? The member for London Centre.

Mr. Peterson: Mr. Chairman, now that the diminutive Treasurer is back in the chamber, perhaps we can proceed. There are a number of items I would like to discuss with the Treasurer, if that is possible. I assume he is prepared for any contingency and every eventuality, because if he isn't forthcoming in all his answers and able to answer them quickly and forthrightly we may have to take more serious remedial action.

At the outset, I would like to ask the Treasurer about the whole question of oil prices, which I have not yet discussed. I am sorry if you are having trouble hearing me, but I have a grievous disease. I came out of my sick bed this morning just for and exclusively for the pleasure of spending the afternoon with you here today. I hate to say this, but I think I contracted the disease from the Minister of Education (Miss Stephenson). Wherever she goes she spreads plague, disease and scurvy.

Mr. Chairman: Maybe you should ask your questions while you still are able.

Mr. Peterson: I was habitating the same chamber with her on more than one occasion—the legislative chamber, I hasten to add. I feel I may have contracted it from her. I can tell you it is probably the most important influence she has had, lately at least.

I want to talk about oil prices to the Treasurer. I don't want to thresh a bunch of old straw, but I want to point out a couple of my concerns. I want to take you back to what I consider was an excellent speech you made to the bar association in Calgary, when you were supposed to be on the same platform as the honourable Merv Leitch—or was it Merv Leitch who didn't show? No, it was Hnatyshyn, the Minister of Energy, who didn't show.

You were discussing the rewriting of the Canadian constitution by way of petro dollars, and frankly, that was the best speech I have seen you make. I am not sure you wrote it yourself. It is the only speech I have seen you make, now that I am on the subject. It was good, it took you six months' worth of effort to do it but perhaps it was worth it. One good one every six months is better than a couple of bad ones per week perhaps, if that is your point of view. I want to talk to you about that.

One of the things that concerns me about your government, and I am being very frank, is you have expended an incredible amount of energy, political energy, and credibility—and I am not talking just about you, I am talking about the first minister and I am talking about the Minister of Energy (Mr. Welch) as well—in taking your strong position to Ottawa and taking it across the country.

You knew from the beginning you were going to lose. I don't want to stand here and accuse you of political dishonesty, you knew you were going to lose. There were a lot of fine headlines written out of that. I am one who thinks you substantially blew your position in that energy paper of last summer when you said it should only be one dollar, but if it is more than one dollar here is how it should be distributed.

In my judgement you should have carried the full weight, force and efficacy of your position to have a far more narrow range of options, recognizing the inevitable. Everyone knows energy prices are going to go up to-

morrow. I am not happy about it. I am one of those, I guess, who has taken the view that it is inevitable and we must steel ourselves against it. I don't like it, but there is a lot of prophylactic action we could take in the meantime to insulate our own economy and to help out our own economy. I am upset about the way you dissipated the efficacy and the strength of your argument.

What you have done, in my opinion, is use a disproportionate amount of your time, energy and resource beating your collective heads against a wall when you knew you were going to lose. I subscribe to the view of the Leader of the Opposition (Mr. S. Smith) that you did not carry that argument well and you did not serve the province well, but what concerns me is there are two areas in which you do have a substantial amount of jurisdiction, as a matter of fact the only jurisdiction. I am referring to electricity prices and I am referring to natural gas prices.

I have asked and my colleagues have asked the Minister of Energy about those matters in the House and received extremely flip, superficial, and I would say juvenile, answers to our questions. You will recall last week I asked the Minister of Energy what he was going to do about the rate application from his friend Darcy McKeough of Union Gas.

Just in case you are not aware, I am going to tell you what that rate application is for. I am not talking about the automatic increases pegged to the price of oil, because we recognize the federal system for that is pegged at 85 per cent on the BTU value of the price of oil. I don't like that either; that should be unpegged, that should be unhinged. I agree with your position, you should fight it very hard; I will get into that particular aspect in a moment.

The Minister of Energy had the temerity to say to me, "If that is your view, that Union Gas shouldn't get the 42 cents per thousand cubic feet, non-stepped price increase, then you should go to the Ontario Energy Board and make a submission." He accused me of grandstanding because I disapproved of a system whereby the small residential consumer and the small commercial consumer is going to subsidize large business and the large consumer. That is virtually what Union Gas has asked for.

I am telling you that you have jurisdiction. You can't just fob it off and say that is the Ontario Energy Board. The Ontario Energy Board is a creation of your government, of this Legislature. It is not good enough to say you don't have jurisdiction. You should be there, you should have made a presentation.

What is your position on that rate application of Union Gas? Are you for it or against it? I don't know what the Minister of Energy's position is because in his charming little squirt way he weaselled out of the question and didn't deal with it.

[3:30]

What worries me about this Minister of Energy, who is a man of a capacity in my opinion, and certainly he has the greatest capacity of anybody I've seen in that ministry, is that so far he has used all of his energy to be charming and avoid the question and avoid the real issues that this province is facing in trying to keep the government out of problems, as opposed to using the creative potential in that job to do something for this province over the next 10 or 20 years.

I regard the job of the Minister of Energy to be creative as probably the most important one in the ministry today. I have said that of all the ministers to date, I have said that for four or five years. I am concerned that he is going to take the position that his job is only to survive, keep the government out of trouble and not be creative. I haven't seen any creativity out of him whatsoever.

Where it relates to the Treasurer is that everything he does bears so very directly fiscally and economically on the prospects of this province. That's why the Treasurer has to be concerned. He cannot let the Minister of Energy run on his own, he must be involved in his decisions. When the Treasurer allows the Minister of Energy the 16 per cent increase in Ontario Hydro for next year; when he allows what I consider this excessive, unfair, unrateable increase—if he does —of Union Gas, then it's going to reflect very badly on the consumers and on the economy of this province; because at the same time we are stuck with automatic increases which there isn't very much we can do about, barring some new redistributive mechanism from the federal government.

In brief those are some of my views. I am very interested in the Treasurer's opinion about what I have just said and what he is doing about it.

Hon. F. S. Miller: The basic assumption of the argument the honourable member just made was that the paper, and the arguments that followed the paper, including my speech, were all made in the certain knowledge that Ontario would not win. If by that it means there would be no change past the one dollar per barrel on January 1, 1980 he is correct

I am sure. Obviously with world prices themselves escalating on an irregular and unpredeterminable basis, one really can't tell what the world price alone will be, let alone what something that is used internally will be.

Mr. Peterson: If in fact there is a world price, and there probably isn't.

Hon. F. S. Miller: The more we have problems, such as Iran, the more likely the, let's say monolithic world price set by OPEC is going to hold, because the spot price market appears to be taking over and panic buying then takes place.

I was told Japan, for example, paid $40 a barrel for the oil the Iranians either refused to ship to the US or the US refused to accept from Iran, whichever was the case.

Mr. Peterson: That's a big quantity.

Hon. F. S. Miller: That, of course, is the very kind of action which can add fuel to the fire; which is a poor metaphor.

I would have to say that Ontario entered that debate recognizing that a win would be hard to define, because no one wanted to see any increase at all. But Ontario argued strongly and I think, though I won't know for a while, with some measure of success, that Canadian prices should bear some difference from world prices since the whole economy is going through the kinds of strains so clearly demonstrated in the debate about the emergency debate today.

We know that any increase in the price of energy, or in fact anything that adds to the cost of living, the cost of manufacturing Canadian goods that can't be recaptured within our own economy, can only eventually weaken our economy, cause some uninflation and perhaps re-enforce a recession.

So we entered the lists knowing when we came out we may be winners but would be blamed for losing, blamed because some change took place. That makes it a difficult political decision, however we are satisfied that the changes would have been of a much greater order and would have had much less regard for the Ontario scene had Ontario not entered into the argument. This is because a number of other provinces, for very widely varying reasons, had no good governmental reason for opposing massive increases in the price of oil and they were letting the federal government know that. Obviously if you produced it you had no reason to oppose it, even though it isn't in the interest of your taxpayers to some degree.

If you lived in Quebec, or if you were a member of the Quebec government, you had two good reasons for supporting world price. First, all the oil used in Quebec comes in today at world price and it is subsidized by the federal government. This is something that that government hates to recognize. With a referendum coming along it hates to admit there's any umbilical cord of federal money flowing in one direction only to that province. One very visible example of that flow of money—I've seen the figures, they are in the hundreds of millions of dollars per year—is the federal government payment to offset the difference between world price for all the oil used in Quebec and the price the consumers pay.

The second good reason is one much more understandable, and I would think it is one much more readily accepted by all of us, and that is that obviously the government of Quebec, having made a huge investment in electric energy and having a number of reserves untapped yet, can see that it will have a pretty predictable price for its electric energy for the foreseeable future. Once committed to development the only thing one has to worry about today is the change in the costs of the capital plant between the time one decides to construct it and the time it's finally built. Once it's built one doesn't have to worry about fueling it. Labour costs are a tiny part of the cost of operating a hydroelectric system, a hydro-based, that is water-based system. However in Ontario 37 per cent of total energy is from water and 73 per cent is from some kind of fuel source, so we don't have that assurance of the cost in the future. Obviously Quebec would say, "In our industrial planning interests, anything that makes our electrical energy even more competitive relative to other kinds of fuel makes our province more attractive to potential industrial investors vis-à-vis the other parts of North America, or indeed the world."

I was always mystified by the arguments from any place but Newfoundland on the east coast—Newfoundland at least hoped to get oil—had some reason to believe it might find oil as a result of the newly awarded offshore rights. I believe every bit of electricity in Prince Edward Island is oil produced, but I am not sure how much of Nova Scotia's electrical energy is generated from oil. I know the bulk of it is—

Mr. Laughren: Do you agree with Clark's position on that by the way?

Hon. F. S. Miller: I am only discussing the answer to the question on energy today. I am mystified because they say, "Yes, we are quite happy to see our people pay world price for oil for their cars, for their home heating, but when we use it to make electricity you will have to subsidize it." If they

got that they would be gaining the best of both worlds. They get a federal equalization transfer because the price of oil has gone up and they get a federal government subsidy to burn the stuff. I think that can be seen through patently. I am intrigued, too, by my friends who operate the Alberta Heritage Savings Trust Fund loaning money to those provinces at prime triple rate A rating—or whatever it is called, the triple A rate—for some of their utilities or some of their government purposes or both; in effect lending money at less than the rate that the credit would traditionally warrant. In effect, I believe, buying support for an oil pricing policy by subsidizing an interest rate for government spending. That is a very interesting set of circumstances.

Mr. Peterson: That is something the teachers have done for you over the years.

Hon. F. S. Miller: I find that hard to follow.

Mr. Peterson: The teachers superannuation fund charges you below market rates.

Hon. F. S. Miller: I would challenge that currently.

As to the second part of your argument, you said we made our case weaker by broadening it to indicate how to redistribute our revenues if increases took place. In all the rhetoric on this matter, that has gone on in the last four or five months, really every bit of it that has been reported in the press dealt with absolute price. Very little of it dealt with the redistribution of income and the fundamental structure and mechanisms of the transfer of moneys within the Canadian confederation on an historic basis.

We argued that should we be wrong, should the increases exceed those we thought should be put in place because of an impending recession, because of the oil industry's inability to use more investment dollars in the short term, we must have a formula to prevent a government, a provincial government in particular, being the major beneficiary from the transfer of funds, simply because in the Canadian context that was not the historic mechanism or way of doing things.

That is all seen as sour grapes. I can understand it, but I must admit I feel, and I hope you feel, a bit sorry to find a number of Canadian provinces so pleased to see that they can turn down something Ontario needs, after for many years, in my opinion, profiting from an Ontario position under Mr. Robarts and under Mr. Frost—I am thinking of prior to my present Premier—that always emphasized the responsibility of Ontario to a relatively strong Canadian government and to its central duties to make sure that certain minimum levels of government services were available, regardless of the provinces' fiscal capacity.

I hope it is something like the freedom of some of the Third World nations when they are finally liberated from a colonial regime. I hope it is short lived. In other words, once the euphoria of suddenly saying, "We can tell you off" passes, I hope there will be some reconsideration in a sober way as to what this country is all about, the fact that we do use and need a central government to carry out duties and redistribute moneys.

Once the decisions are taken on the price of oil, I would say the second part of that paper is going to be the major part, the part we have to spend a good deal of time working on in a Canadian context. We in Ontario recognize we will have some difficulty having credibility because we have been well off in the past and because the transfer payments from this province by any route, whether it is general taxation through old age security or equalization payments, no matter what the mechanism has been, have not necessarily been recognized as being based on Ontario's wealth or appreciated if they were.

You mentioned something about the price of energy going up tomorrow. I don't know what is in the budget. I am only looking at the same kind of predictions you are, predictions that we can see anywhere from 23 to 30 cents a gallon change in the price of refined products, fuels for transportation basically, I would say, not necessarily for home heating. That is not a change in the price of crude. You know that. While it is very critical, it is not the kind of argument Ontario was advancing in the papers because at that time it was not predicted.

[3:45]

We were talking about the price of the raw material supplied for industry, whether for heating or for reprocessing. As I understand the advance guesses, the money the federal government is talking about levying in the budget will be on specific uses or types of a distilled product basically for transportation. Tomorrow night's budget will answer that question and only then will I know who's right.

The member said our jurisdiction applies to electricity pricing and natural gas. Of course, on the natural gas I guess we're limited to the distribution costs of natural gas not the provincial gate price.

Mr. Peterson: That's what I said.

Hon. F. S. Miller: Yes, I think later on you did. I made a note. I don't think the member had at the point I wrote down my note.

The jurisdiction in terms of electrical pricing is again of the same nature. That is the variation in rate between types and classes of users or quantities of use, not as I read it, on the global gross selling price of Ontario Hydro as output. Because if I understand the Power Corporation Act—which I don't believe is administered by me, I believe it's administered by the Minister of Energy (Mr. Welch)—ever since Sir Adam Beck, a fundamental principle has been that power from Ontario Hydro will be sold at, quote, "cost."

Cost can be arrived at by charging one consumer more and another consumer less. I think that is a kind of argument we are going to see a good deal of discussion about before too long, because we're going to go into discussions as to whether one should charge large consumers more to limit their consumption or recognize that distribution costs to large consumers are less and encourage their use so we'll have a good strong industrial base.

You're going to hear all kinds of points of view on it; I don't want to get into them today. I would just say that I don't believe you want to throw away yet the principle that the gross selling price of electricity in Ontario should match the gross cost of generating it. That's a principle that has stood well for many years. I would argue though that one of the key things is what is gross cost? How much should you lay aside in a given year to create capital, limiting borrowing? Because we guarantee a goodly part of the borrowing for Ontario Hydro, I would say we're probably more highly leveraged than privately owned utilities—80 per cent or 82 per cent or whatever it is of our total equity is in debt. I've been told that a more normal US rate would be 50-50.

Obviously, if one elects not to add to the rate today to create capital for investment for immediate increase in output and instead goes to the market to borrow that money and therefore keeps a high debt to equity ratio, then the final cost of power will go up in total. I think that is one of the areas where a government does have jurisdiction—I'm not saying government does, but traditionally Hydro and/or government has been involved in that process. I don't think Ontario has ever directly leaned on Hydro, but we've never tried to duck our final responsibility.

That is exactly the same kind of question I assume the member implied is before the Ontario Energy Board for the distribution of gas through Union Gas. I don't have an answer for it. I think one can argue with good logic both ways. One obviously wants to price energy no matter what its source or type today so that one does not encourage waste—I don't think we need to worry about that; that has become academic. The price is going up fast enough anyway.

If you're an industrial user making steel, the price of natural gas, no matter what we do with it, is such that you're going to take measures to save energy you wouldn't have taken 10 years ago. I think the member would agree. That's true of electricity. So I would say that industrial users have good immediate economic reasons for cutting back in consumption.

The real question becomes one of what costs should be apportioned to the bulk user and what to the smaller user. I am not going to prejudge that. I am going to listen with great interest because I think it is going to apply equally to electricity and to natural gas in the next while.

I think any one of you in this room could stand up and make arguments for whichever side you decided to take and sound equally impassioned in the process. There is only one political side and you know it. The question is what is best in the long-term interests of the consumers of Ontario, even if it isn't the immediately politically saleable reason.

Mr. Peterson: On the subject of price: I am not one of those people who has ever argued in this House that we should try to cheat the future and I think you know that. I'm not one of those people who has ever argued we shouldn't pay our way today so our children have to pay it for us after the fact. There are certain realities we all face as politicians. Historically, probably the greatest mistake we have made is we haven't faced up to the current realities, if we could possibly shuck them off on someone who was coming after us. To some extent, that argument enters into the whole energy pricing question.

I am also one of those who says it has reached the tolerance level. The abuse of the small customer, the distribution of rates—who is expected to carry what load—is now beyond the tolerance level. I am one who very clearly feels you should have a position on this and there is something you should be doing about it.

One of the reasons Union Gas is doing this is because of the bloody incompetence of the company. They entered into that contract for synthetic gas with Polysar and they're taking

a $10 million a year loss on that. They are trying to extricate themselves from that by shipping it down to the United States and they're having some regulatory problems doing it. I hope they can get out of it.

What we have with a monopoly, unless we look at it very severely is the consumer in the province pays the price for that management incompetency, not the company. Who should pay the price? The shareholders, the management? They've rolled a couple of presidents over that particular issue and I assume the mandate of the new president is to clean that up and try to get out of it. I hope he does.

At the same time, when they come pleading for cash to increase their price by 42 cents for administrative costs and for distribution costs, one of the arguments implicit therein, although they don't use it overtly, is because of this management mistake of some three, four or five years ago, whenever it was. I can't argue and I don't think you can in conscience argue this is a burden which should be fairly carried by the consumer in a monopoly situation.

When one has a monopoly in a province like ours, one has some very grave responsibilities. Obviously, we don't trust them to exercise their responsibilities well or we wouldn't regulate them. Therefore, you have the whip hand. The energy board reports to the government and the government puts members on the energy board and makes sure they are being fair.

I am one who very much dislikes the attitude of the provincial Minister of Energy, who completely washes his hands of these things when it is convenient. One gets the impression very clearly that when there is something you can do about it, you opt out and say that's the Ontario Energy Board's responsibility. When there is something they know they can't influence, at least very much —for example, the hearings of the National Energy Board on whatever—you feel quite free to criticize, complain, carp and bellyache, but you don't do that with something over which you do have jurisdiction. If they are concerned about what they're doing at that level, surely when they have the power, one, they should have a position and, two, make that position very strongly felt.

I can tell you very sincerely, if and when we ever have an opportunity to change government in this province—and that's not all that unlikely a prospect, don't kid yourself—the rate structures of Union Gas and of Ontario Hydro are going to be very close to the top of the agenda for legislative action. It's historically wrong and it encourages consumption. Any rate structure should not encourage consumption, but the rate structure, as it is presently administered, does encourage consumption because it diminishes with usage. There is a regressive rate. The more you use, the less you pay for both of them. That is completely 100 per cent backwards in our opinion.

I'm happy my colleague, the member for Halton-Burlington (Mr. Reed), is here today because he and I have discussed this at great length. He has yapped about this until he was blue in the face. I talked about this at great length when I was energy critic in this province. We will continue to talk about it because it is unfair and wrong.

When you say, "Quite obviously the object of energy pricing is to discourage consumption," I can tell you, if you believe it, you're not following it. As Treasurer, I would like to see you use your good offices to change those kinds of things. If you look at it, I know you'll agree with it. We all recognize that over the long term energy prices are going to go up. Obviously I would like them to go up as slowly as possible. Then we can always get Claire Hoy running around saying, "I want to see world prices." I can tell you that's nonsense. I can tell you there is the inevitability that I, my colleague and my leader recognizes, and we have been pleading since 1976 to do something now.

Don't get caught in the trap the federal government got caught in when they brought in wage and price controls. Those came in with a lot of public sympathy at the time, and even had public sympathy for the couple of years they were around with the exception of my friends in the labour movement. But, generally speaking, they were well received. People didn't know what to do. There was a lot of confusion in the economy and people said, "Gee, with this runaway inflation let's buy some time." They bought time and nothing happened. They might just as well not have had it.

We told you you were slow to move on energy pricing and the whole question of how it impacts on the economy and its insulating our consumers and our industries from the effects thereof. We said that then. We're saying it now. I can tell you this, we're going to go through the same guff two years from now.

The energy debate we're having today is critical to the future of our province and our country from several points of view. The formulas hammered out now on the distribution of those revenues will probably apply in the future. And we're all looking, whether you or I like it or not, in the not-too-distant

future at $40 to $60 for oil. Everyone who is looking ahead says that.

You think we've got adjustment problems at $13.75 a barrel—man, it's nothing like you will have. You can't imagine what it's going to be like. It has been your government's inability or unwillingness to recognize the inevitable; recognizing it takes tough decisions to do something about it. I can tell you you've been far too slow. If you think our industry, our transportation sector and all of the infrastructure in this province is vulnerable to energy pricing now, I can tell you, Mr. Treasurer, two years from now it's going to be far, far worse. That is why you must, in my judgement, do a couple of things.

One, you must argue until you can't talk any more; until you've got a sore throat; until you get laryngitis, which would be refreshing to us on this side of the House. I hope you don't for the sake of the argument you're taking to Ottawa. You cannot let one penny of this increase, whatever it is, go to just fuelling government revenues that go into consolidated revenues. It must be all deployed effectively back into the economy for a myriad of reasons.

It must go back into the economy to insulate the low-income people in our society from the effects of these high prices. That is very important, but it is just as important to invest now in the capital technology of renewables and conservation to more insulate us from the shocks of what is going to happen in the next five, six, seven, eight, 10 and 20 years. These are realities. It doesn't take any brains to figure out where this province is going to be at the end of the century.

You're losing time. You have been losing time. You have had a lot of goodwill from the people of this province. You've been in power a long time. Anything you did that was tough along those lines, I have no idea whether our friends in the NDP would support these areas. I can tell you without equivocation those of us in this party would. We have taken the view we are prepared to make contemporary sacrifices for something that is going to protect us in the future, no hesitation about that. We have not seen any leadership or direction in the area of renewables or conservation from this government and I am very serious about it.

[4:00]

What the minister is going to do is let those prices go up in the things he controls. He is going to overbuild the hydro system and I will argue very much that now is the time for a pause in hydro to get the costs in line, to get conservation under control, then he probably won't need to expand the system in the next little while. He can get a handle on this from my friend from Halton-Burlington, who can speak far more eloquently and expertly on this particular subject.

Rather than build up a system that isn't going to be necessary in this next little while, the minister is better off to insulate the consumers from some of those excessive prices in the short run. Secondly, he has to do it with hydro prices. I am appalled at the way Union Gas wants to do it and I am also appalled by the way the Treasurer and the Minister of Energy take that "hands off" approach saying, "Well, it is not my responsibility." It is their responsibility, and in the same breath, they use up all their energy complaining about something that isn't their responsibility, where they don't have power.

I am not saying the minister shouldn't take his argument to Ottawa, he should. I regret only that it was badly put and he didn't win. Surely, when he has some power he should use it and should be using it in the area of renewables and conservation.

We have been so specific in our criticism, we have been so constructive; I am tired of being constructive. We have given the minister lists of 25-point programs on conservation, on how to conserve with automobiles, in housing, in insulation, in methanol and in biomass. God knows, we have a lot of good ideas and we shouldn't lose that advantage but as I say, I don't see anything happening.

That is why I say to the minister he should insist, with all of the might he can summon up—all five feet four inches of him—that Mr. Crosbie does not steal any of that money from the windfall increase in oil prices for consolidated revenue. He should make sure it is used for the benefit of our Canadian people and our children. He should make sure also that the money, apart from protecting people on low income, is going to be invested in capital and in renewables, all those kinds of things to protect us in the future.

That is where the minister's energies have to be and I am concerned that tomorrow night Crosbie is going to steal that money, because he is obsessed with balancing the budget. I think he should be balancing the budget, but there are many other ways he can do it and there are a lot of expenditures in Ottawa that can be cut.

The minister should not let Mr. Crosbie take advantage of this windfall. There will be so much confusion when this price goes

up. Nobody will know who is going to get that money. It will be reported in the press, but there will be a lot of confusion. Those who want to will blame the oil companies, some will blame Alberta, but don't let the federal government sneak up the middle and steal the money just to fuel or to cut down its deficits at the expense of Ontario.

If the minister insists on some kind of policy like that, Ontario probably will be the beneficiary of a lot of investment, technology and research and development, so we can go on and build a new capital base here and explore new kinds of industries.

There is one other thing to say. The minister talks about power at cost and the traditional mandate. Power at cost is just a buzz word. Nobody knows what power at cost means. When one looks at the books of Ontario Hydro, when one looks at their depreciation accounts—they don't account like a private company—when one looks at the surplus at the end of the year, the minister can't tell me it is power at cost because they do run up reserves. It is a judgement call.

I am not saying they should not store up some little surpluses here and there in order to keep their borrowings down, but what I would say is that the mandate of Ontario Hydro should change, not just to respond to the demand as they have done over the past 50 years. They have a major role in influencing demand and apart from running these little advertising campaigns, the most important way we could do it, in my judgement, is with pricing. That is where they have been left sadly far behind the rest of the country.

I just want to ask the minister one question before I move on to something else. Are you or are you not going to take a position on retail hydro pricing, bulk hydro pricing and gas pricing? Does the Treasurer have any information about what it will do to the economy and what is your position on it?

Hon. F. S. Miller: I have dealt not with specific rates as Treasurer, but upon the macro-economic effects. I have left rates to my colleague, the Minister of Energy, to deal with. I am kept informed by him and I listened to some of his discussions this week.

I suspect you will be getting a report from the Ontario Energy Board this week. I will enunciate more clearly. There is a major report I thought was due before too long, giving some advice. However, the energy critic would be able to answer better than I can.

Mr. J. Reed: It has been forthcoming for some time.

Hon. F. S. Miller: I believe there is a due process for it once it comes in and instead of me prejudicing the results I would rather see the process followed.

Mr. J. Reed: I am just saying nicely that it is late.

Mr. Peterson: I am just trying to work this out in terms of time allocation. I gather Friday is our last day, is that right? And whatever time is left, we will just agree that the estimates are finished. I want to let my friend from Nickel Belt perform today so I will save some stuff for Friday.

On this whole equalization question—we dealt with it in my opening remarks and you responded briefly—I have a tough time knowing exactly where you are sitting right now. I gather your last comment is, "Well, if we can't get satisfaction any other way, we may press for our entitlement under equalization." If I am putting words in your mouth, please correct me. You feel it is a little bit immoral in the sense it is not in the spirit of the Fiscal Arrangements Act and you feel there are better ways to redistribute the windfall oil profits coming to the principal producing provinces. You feel the resource revenues should essentially be taken out of the current equalization formula. If I am not being fair, I want you to correct me on this.

Hon. F. S. Miller: Everything up to that point has been reasonable. On that last point I don't recall saying—

Mr. Peterson: I could be misinterpreting. I was under the impression you wanted resource revenues treated separately and redistributed through other mechanisms, not through equalization payments. Is that it?

Hon. F. S. Miller: Mr. Chairman, I thought I had offered at some length the opinion the formula of the 29 factors currently used in computing the entitlement of a province under the equalization factors was designed at a time when oil revenues were not as unbalanced as they currently are and therefore, since it increased the payment obligations of the federal government but did not increase its revenue sources, I considered it was putting an undue strain on the federal treasury until it had some source of revenue to counterbalance it.

Second, the money flows no longer necessarily reflected the needs of the receiving provinces because of the change in oil revenues out west. Therefore, at the very least, the formula should be restructured without becoming specific. I did point out there are two caps in the system, the 50 per cent of oil revenues and the one third of total payments from the resource base.

Mr. Peterson: On that subject and as you now know—you didn't know at the time—Bill

C-26 has not been passed. You have intimated it is going to be introduced and applied retroactively. Who told you that?

Hon. F. S. Miller: I understood in Ottawa.

Mr. Peterson: When are you expecting it will be introduced in the federal House?

Hon. F. S. Miller: We may learn tomorrow night in the budget.

Mr. Peterson: Are you going to militate against that to protect your own options? You see, I want to know what in hell is your position? What are you going to take—

Mr. Deputy Chairman: The member will watch his language, please.

Mr. Peterson: Excuse me, Mr. Chairman. Good Lord, I know you have never heard that before.

Mr. Deputy Chairman: No, I have never heard it, not in this chair.

Mr. Peterson: I would like to know, what is your position on this redistribution of the oil wealth? How would you restructure? I want to know how you relate that to equalization.

I would say to the Treasurer that in the absence of some firm agreement that I assume has to come up either at a first ministers' meeting or a meeting of the ministers of finance of this country that when he puts some new formula to those esteemed gentlemen and tries to sell it to them, he is giving away his trump card if he allows Bill C-26 or its successor to be passed.

It can be stopped by working very hard at making a terrible fuss. If the Treasurer can make a fuss about oil prices, he can sure make a fuss about this one. He gets all those 58 Tories that he and Bill Davis helped elect and he says: "We will not tolerate this. Ontario's getting it 16 ways, all the way to Sunday."

Hon. F. S. Miller: I thought you were working for them.

Mr. Peterson: Working for whom?

Hon. F. S. Miller: Those 58. In fact you were working for a couple who didn't make it.

Mr. Peterson: If the Treasurer asks me did I shed a lot of tears over it, my response in all honesty would be, no I did not. I did shed a great number of tears for some of the very esteemed Liberals who went down in the last election.

Mr. Laughren: Name one.

Mr. Peterson: I refer principally to the candidate in Willowdale, one James Peterson, who has brought a great deal of prestige and credibility to the Liberal Party ticket. However, that's another story.

This is a most serious issue we are addressing now and I gather what has happened is the Treasurer's education was so inadequate in this area that he has tried to do some catch-up in the last month or so since this issue has been brought out in public.

What is the Treasurer's position? How does he figure that money should be redistributed? How does he want the Fiscal Arrangements Act redone? How does he want those 29 categories treated? What does he want done with resource revenue? Is he in favour of Bill C-26 or its successor, or is he going to fight it? He should be very specific because I can assure him that my friend from Nickel Belt is a very erudite economist. He and I understand everything he is going to say, so he should not worry about being complex.

Hon. F. S. Miller: I thought that was unparliamentary language he was using a second ago. I thought it had something to do with the human rights bill.

Let me try to disentangle two things I thought only the honourable member's leader had tangled. I have listened to him argue that we have tried to confuse equalization payments and the redistribution of oil revenues since the day the paper came out and I keep trying to tell him they are two separate things.

There is no question that the formula as it now stands is influenced by oil pricing. No argument.

We are totally against the continuation of that formula as it is now designed, because—

Mr. Peterson: What are you suggesting in its place?

Hon. F. S. Miller: —it's not due to be changed, I think, until 1981 or 1982. We have asked for and hoped that discussions will go on towards making it fit its original purpose. That was to provide provinces who have the fiscal inability at the provincial tax level to raise the moneys they need to provide basic services. Ontario is not in that position.

Mr. Peterson: When is this going to be discussed and what is your position?

Hon. F. S. Miller: All right. I have asked that it be discussed at a ministers of finance meeting very specifically. I hope it will be. I have talked already to the federal Minister of Finance about my concern.

Mr. Laughren: It's 1982, by the way.

Hon. F. S. Miller: I thought it was 1982. Yes, it's somewhere down the line before it changes. The fact remains that it may not change quickly enough. It is giving whoever is finance minister real problems in the meantime. It has nothing to do with the money Alberta is getting.

[4:15]

Let me try to see if I could somehow sketch what happens in my mind when the price of oil goes up. It goes up, say, $4 a barrel. A small part of that money, to be determined, I assume, by the Minister of Finance of Ottawa, will go to the producer. Some part of it—currently 10 per cent—goes to the federal government. To date 45 per cent on average of revenues have flowed to the producers—not of profits but of revenues.

Mr. Peterson: Are you leaking the federal budget?

Hon. F. S. Miller: I have no idea what's in that budget. I could sit here all day and I wouldn't be able to leak something I know nothing about.

Do you agree with 45-45-10? All right. It varies from company to company and from kind of oil to kind of oil, old wells and new wells, Syncrude to non-Syncrude, and so on. But if I generalize and say 45-45-10, I am not far off. The federal government currently gets 10 cents out of every dollar increase, unless it changes the rules in the budget or some other way.

That doesn't give it much money. At the same time, when the price of oil goes up, the formula it now uses requires it to pay out more money. It has no source for that money. It pays it out to the have-not provinces. By definition, we have fallen into that category without being one, because under our entitlement, because of oil revenues, they now owe us about $18 per capita per year. On sum total for the last three years, that comes to about $470 million.

When the federal government raises the price of oil, 45 cents flow to Alberta and go into its treasury and 10 cents flow into the federal treasury. Then Ottawa is committed to a payout under the equalization program. The 10 cents flowing in doesn't help them a great deal because they already have massive deficits, in the order of 25 per cent of the total budget. Therefore, they are faced with an equalization formula that penalizes their treasury each time they raise the price of oil. Agreed?

When it comes to giving money to Ontario to provide basic government services that poor provinces can't afford, I hope you would agree the formula isn't doing what it was designed to do. Do you agree with that?

Mr. Peterson: No. I happen to be a lawyer and you are talking about all the moral implications of this act. Isn't Rendell Dick a lawyer?

Hon. F. S. Miller: I never knew you were a lawyer.

Mr. Peterson: Yes, not a very good one.

Mr. T. P. Reid: You have got a lot of company in that case.

Mr. Peterson: In fairness, I am about as good a lawyer as you are an engineer, so we are not talking with a high degree of expertise.

Hon. F. S. Miller: I won't even ask you what makes you a poor lawyer.

Mr. Peterson: I admitted that at the beginning.

Mr. T. P. Reid: Go one step further and say you are as good or bad a lawyer as he is a Treasurer.

Mr. Peterson: Let me say you are bringing this new moral judgement to this act.

Hon. F. S. Miller: It is not a moral judgement.

Mr. Peterson: Sure it is because you have a legal entitlement. That's my whole point. If you didn't have a legal entitlement, Bill C-26 would not be necessary. It's to clean up the loophole, for want of a better word.

Hon. F. S. Miller: All right.

Mr. Peterson: I am saying you have a legal entitlement and I am saying there is a good chance the resource revenues you want retransferred, albeit under another mechanism, which I agree with you is more fair, will not be. Therefore, I am saying to you the only weapon you have today legally, let alone morally, is a positive entitlement under equalization. You are going to get up and say, "It is just going to make the federal deficit bigger, and 45 per cent of all that comes out of our taxes." You are still a net winner of 55 or 60 or 65 per cent.

Secondly, I say very frankly when did it ever become your responsibility to balance the federal budget? I admit they have problems. Is it because your friends were just elected you feel you have to balance their budget? I know you don't share all this doom and gloom stuff about the province of Ontario being booted into the ground, but surely there are enough indices around to say that we are, relatively speaking, in a downward slide and it needs some corrective action.

I am saying there is a million bucks—half a billion, $470 million—that could be used

to our purposes. I am not saying you should use it just to get rid of our deficit. I am saying there are a lot of other constructive capital investment things that could be done. I am taking this ahead a little more than I wanted to.

You were saying: "Really, morally, we are not entitled to this because our average per capita income is above the national average. So we are really not entitled to it." That really was not the intention of the bill, according to a lot of economists I read. The intention of that bill was to equalize provincial revenues. You have taken a different attack on the bill.

I still do not understand. Is it just because you sit there in your cabinet meetings and you feel badly? You really feel, "Gee that wasn't the intention of the bill so therefore we had better not collect it"? You know that legally you are entitled to it.

You made me angry in the middle of it. You don't often do that but you made me angry because you are so wrong. Therefore, I had to stand up and correct you. You carry on.

Hon. F. S. Miller: "Wrong" is a subjective opinion. We believe that the federal government—what, a year and a half ago?—gave notice that it agreed the formula was not reflecting the intent of the legislation any more. It stated it was going to make certain changes in the bill. You can quickly point out that one day I was thinking, in error, that the bill had passed, non-lawyer that I am.

Mr. Laughren: That is the only good thing about you, Frank.

Hon. F. S. Miller: You touched the Chairman's heart when you came up with that one.

Mr. Deputy Chairman: You woke me up.

Hon. F. S. Miller: We were told the legislation on entitlement to which we legally had the right to ask would be changed retroactively. On that much I agree with you; legally we have the right to call upon it.

I say it is foolish to demand something that is going to be taken away from you in the next breath. It is something like sending an old age pension check out to somebody, letting them spend it and then coming back with—you have seen this happen in your riding—"in error sent," or "calculations based upon last year's income."

Mr. Peterson: That couldn't be a more irrelevant analogy.

Hon. F. S. Miller: No, because you end up having to pay it back later at a time which may be totally—

Mr. Peterson: That's not true.

Hon. F. S. Miller: The feds make these saw-offs. A note that I was just given by staff says the federal government is already paying on the basis of Bill C-26, by the way.

Mr. Peterson: The new crown leases bill?

Hon. F. S. Miller: Yes. The crown leases are out, Ontario is excluded and there's a three-year averaging provision for Saskatchewan.

The other half of this argument is: okay, we have agreed that equalization formula was designed for a certain purpose. You can have the minor difference in opinion that you and I had about whether it was to average provincial incomes or whether it was to help provinces with less-than-normal incomes.

Mr. Peterson: Provincial revenues.

Hon. F. S. Miller: Provincial revenues. The fact is it came to a government at the expense of the people of Ontario. I would be grateful to get that money because it would appear to come from another governmental level, without me raising it. It is like increasing municipal grants. We still take them out of the people of Ontario one way or another.

The real argument was the one you touched upon earlier: the 45 cents out of each dollar that currently go in as royalty, or whatever else it may be, to the province of Alberta. In my opinion the money should be used not just for the benefit of the people of Alberta but for the benefit of all Canadians. Either the federal government has to increase its 10 per cent share, or some recycling mechanism such as we proposed in our paper needs to be adopted. The recycling mechanisms we have proposed in our paper were, of course, to protect the consumer first and then to see money funnelled back into the reinvestment for security of supply as a capability to use it wisely was there.

So we say: "Fine, leave the equalization formula out altogether for the time being. We have to dwell upon the redistribution of that revenue for Canadians' sake." If you do that adequately, you may not have some of the problems the equalization formula is trying to address and we'd be in a better position to know what it was doing.

If the federal government says there's no way they can attach any part of the 45 cents, there's no way they're going to reduce any part of that 45 cents on the incremental prices of oil, then I think we have a problem. That problem may require us to go back to the federal government and say: "Fine, since Ontario is not going to be given"—and not loaned, by the way—"any part of the 45

cents Alberta is getting, we will now look for other mechanisms to help the Ontario treasury."

I wouldn't be at all surprised if at that point we started looking at the basic purpose and design of the present mechanism, the equalization payments, in place and start saying they have to achieve a different purpose—that is, help us get some of our oil revenue back. Surely, we should deal with one problem at a time.

Mr. Peterson: If this doesn't work out we will look at a new mechanism. We might get angry and, as the minister said, if we don't get treated fairly, we may demand our equalization.

You have to recognize what's going on in this country. I had a conversation with a very important man in your government. I'm not going to name him because this was at a cocktail party. I happen to have a great deal of respect for this particular senior person in your government, who is a civil servant. We both just chatted off the record at this cocktail party.

Mr. Laughren: He's going to put it on the record.

Mr. Peterson: No, I'm not.

He said: "What is going on right now is very difficult for the province of Ontario. When we try to make a deal with the federal government there is a very definite bias away from Ontario. We're really having a tough time getting our fair share out." He's talking about various little programs.

I don't want to be specific or even name the chap because I don't want to jeopardize these negotiations, but I thought that statement was a significant one. There used to be a lot of feeling that there was real bias in all the federal programs in favour of Quebec. A disportionate share of the money was going there from Department of Regional Economic Expansion grants or whatever you want to talk about, or local initiative programs or federal/provincial programs of any type. I don't know if that's true or not true, but there was that feeling.

There's a feeling now—certainly, as expressed by this particular person—that Ontario is really going to have to fight for its rights. There's a new attitude that Ontario has been living too high off the hog for too long and we're going to sort of redirect some of these moneys west; that we're going to recognize some of the new realities; that it would be a very tough time.

I'm trying to impress upon the minister he was talking about a bureaucratic attitude and probably a political attitude with this change in the composition of the federal House and the people who run it. It may just be a very real stumbling block the minister is going to have to face politically, legislatively, as well as bureaucratically. If you're facing that kind of a mentality—and let's just say for the sake of argument it's a subtle thing, but it's settling in there—you may have a real difficulty trying to impress your new arguments on the government of the day. There may not be a lot of sympathy for you there.

Let's not forget, there aren't many important ministers from Ontario at this time. None of the major shooters are from here. There are a couple of cabinet ministers from here. You may not have the pipelines in. There seems to be a pretty serious disagreement between the Prime Minister and the Premier at this time. If one accepts what one reads in the press, there's pretty bad blood between Mr. Lougheed and Mr. Davis—I have no idea whether that's true or not, you have a better idea than I have. I'm just saying you may have a much tougher time getting what you feel is your fair share than you have revealed so far.

[4:30]

My suggestion to you is this: Don't give up your legal entitlement. It might be the only chance you have to get a fairer redistribution of some of these moneys. Obviously, I would like to see these formulae redrawn in a fairer, more just and equitable way. I'm not particularly optimistic, if you accept my former points, that it is going to be easy or that you even have that much clout.

The underlying theme of most of the commentators who were looking at the most recent first ministers' conference and during this last three or four months of discussion on the federal level was that Ontario has lost clout, that there is no longer a Darcy McKeough, who used to be the second most important financial man in this country. When he spoke, they listened.

The Premier doesn't seem to have a lot of clout with the Prime Minister at this time. It's a function of players. The Treasurer probably would have done a lot better with Trudeau because he could have fought him upfront. Now he has to justify these guys. He is caught in a very difficult position. He semi-apologizes and semi-fights with them and it's made his position a most difficult one. I have some sympathy for that.

But generally speaking I am concerned about this lack of clout that appears to exist. I think if the Treasurer loses his entitlement, if he acquiesces in the face of the successor to Bill C-26, then he goes and says, "Well,

boys, let's redistribute this money," why won't Mr. Lougheed and Mr. Bennett and—who's that socialist out there—Mr. Blakeney, all say, "Why should we redistribute it?" On the same arguments they have made before they may just say: "You've had it pretty good for so long, you're not entitled to equalization or any redistribution. You've got the industrial base, you're not entitled to it."

I am concerned when I see what I perceive to be this lack of influence on several levels—politically, legislatively, bureaucratically. I think the Treasurer would be sadly mistaken to give up any levers he has, albeit they aren't very substantial right now. At least he has this legal lever of equalization.

The Treasurer must not let that slip through his fingers or get out of his hands. He can fight it. He can fight it politically. He should go to the people of Ontario; we can arrange for him to have an election over the issue, if he wants to. He should go and say, "We are getting abused by the federal government." He shouldn't feel he has to apologize to them. The consumers in Ontario have a right to that money and we'd better send Joe Clark a message.

If the Treasurer won't do it, we will do it. I am concerned that the Treasurer can't fight the fair fight. He is sort of semi-apologizing for them. The Treasurer should not give up the legal right to that money until he has something to his satisfaction and the satisfaction of this province in its place. I feel very strongly about that.

I think that whole issue has been extremely poorly handled by the government. I am one who is not too proud to go and say that we're entitled to it. The world has changed and legally we're entitled to it and we should take it right now. It's that simple.

Mr. Speaker, my little friend from Nickel Belt has been doing a lot of yapping. He's sort of getting all charged up. I gather he would like some time. I will continue with the Treasurer on Friday because I have several other issues I would like to discuss.

It's been a pleasure doing business with the Treasurer. We will be back to him on Friday. If he would like to respond, I would be delighted.

Mr. Cooke: I want to ask a few questions of the Treasurer, the economic strategist for the province.

First of all, I want to say I was quite amazed by his colleague's admission this afternoon that we could have emergency debates on just about every aspect of the economy because they're all in as disastrous a condition as the auto industry. That was quite an admission this afternoon. I'll certainly want to make duplicate copies of this afternoon's Hansard.

I'm also very disappointed in the Liberal Party because they have representatives in my area, in Windsor, and they were not very supportive, to say the least, of an emergency debate this afternoon.

Mr. Peterson: If you have so much integrity, why didn't you challenge the Speaker's ruling?

Mr. Cooke: If the member was concerned, he could have supported our debate. But the members for Essex South (Mr. Mancini), Essex North (Mr. Ruston) and Windsor-Walkerville (Mr. B. Newman) weren't present

Mr. Peterson: Why didn't you stand up and challenge the Speaker?

Mr. Cooke: I think the member's House leader's words speak for themselves. Just reread them or have someone read them to you.

I want to ask the Treasurer what kind of economic planning or what kind of visions does he have for this province, when back in May of this year his Minister of Industry and Tourism (Mr. Grossman) made a statement in this Legislature in answer to my questions. I'll quote the whole thing. He said: "V-8 engines are used in popular vans and trucks as well as larger passenger cars. Therefore, V-8 engines are believed to have a good future, as evidenced by Chrysler's large investment in Windsor's plant in 1978."

That statement was made by the Minister of Industry and Tourism in May 1979. Now we know that kind of planning was all screwy and V-8 engines are not in demand. As a result, we have extremely high unemployment in the Windsor area. What kind of planning do you have? Do you just simply take the opinions of the leaders of the corporations in this province? Do you do any kind of economic planning of your own? What I'd like to know from the Treasurer is what steps he is taking, along with the Minister of Industry and Tourism, to make sure we do get our fair share of small car production in this province.

The Minister of Industry and Tourism made a statement this afternoon. He continues to talk about the investments that Ford and GM are making in this province. The fact is GM plans to spend $38 million by 1985. To date, they have indicated they're spending something in the neighbourhood of $2 billion in Ontario, but a lot of that $2 billion was announced back in 1977. If we're to get our fair share, we should be getting over $3 billion worth of investment from

General Motors. The same goes with Ford. We're not getting our fair share of investment from the Ford Motor Company. I'd like to know what the Treasurer is doing, in conjunction with the Minister of Industry and Tourism, to make sure we get our fair share of small-car production.

Hon. F. S. Miller: The member took the words of the Minister of Industry and Tourism to mean there were a lot of disasters on the horizon. That's understandable because his party has made a habit of seeing disaster in every statement issued by everybody since time began.

The hypocrisy of demanding a debate on the automotive industry and demanding government intervention, having been one of those to stand up and say we should not help Ford locate in Windsor, really astounds me. Your party was absolutely and totally opposed to the government of Ontario assisting Ford to locate in Windsor.

Mr. Warner: You're on thin ice. You're better in Disney World.

Hon. F. S. Miller: Go back to your seat. Mr. Chairman, he is out of his place. The one place he's confident is in the classroom.

Mr. Deputy Chairman: You're right. If the member for Scarborough-Ellesmere wishes to make remarks, he should make them from his own seat.

Hon. F. S. Miller: Do we do economic planning and are things as bad as you sometimes say? Of course we do economic planning. Economic planning involves the best appraisal of the facts before you and their extrapolation into the future. You do economic hindsight and that's got to be one of the safest things in the world to do. Many a good economist looks pretty poor in hindsight. Let's look at the record.

The third quarter national accounts information just came out. Canada had a 5.1 per cent annual rate of growth on real terms in that third quarter. That's a heck of a high rate. That's following the quarter before it, which saw a 2.9 per cent decline. This is the quarter ending September 30. Inflation moderated during that quarter. We saw investment—and to me that, is the measure of what's going to happen to future jobs—at a robust 25.4 per cent seasonally adjusted annual rate, 18 per cent higher than it was about 18 months ago.

When we started the year we said there would be about $10 billion invested in plant and machinery and in capital investment in 1979. I understand it is up to around $14 to $15 billion at present. Profits of companies increased, meaning my revenues will increase. For a change, housing did a little better.

Both exports and imports improved in terms of volumes, if improved means higher imports. I don't know that I would read that. Our current account deficit in that third quarter, on an annual rate, dropped to $4.6 billion from $5.9 billion in the previous quarter.

Mr. Laughren: That will be the yearly figure.

Hon. F. S. Miller: No, I quite agree. I am just talking about the rate of that quarter. Take-home incomes, in spite of a lot of comments that they were dropping dramatically, stayed level during that quarter. That is not good, but it is not as dramatic as we have been led to believe.

The third quarter was a surprisingly strong one. I don't mean the fourth quarter is going to look good by comparison, but when I started this year off I stood up and I predicted somewhere around 130,000 to 133,000 jobs would be created in Ontario in my budget and I heard then how wrong I was, how the world was going to fall apart. I was wrong; it was 170,000 at last count. Better than I would have ever dreamed.

Mr. Laughren: You were wrong. What is your prediction about 1980? Will you tell us about that?

Hon. F. S. Miller: I don't know yet. I want to see the federal budget before I come in on that one. The honourable member knows as well as I do after the budget I will have to make my predictions and he knows as well as I do that until I get that information I would be foolish to make those predictions because what happens in 1980 surely will be affected by Mr. Crosbie's budget. I have given Mr. Crosbie a few pieces of advice.

Mr. Chairman, through the Employment Development Fund and through other measures in the province I would say we have taken steps to increase investment in so far as we can in this province, as opposed to foreign destinations. A great deal of that is going into the Windsor area and will continue to go into the Windsor area, all being well. That depends to some degree upon the survival of Chrysler, because Chrysler is vital to your area.

I have great confidence that while you're going through a cyclical downturn in the auto industry as you went through a cyclical downturn in the metals industry when I was minister, you will shortly see an improvement.

Mr. Cooke: Mr. Chairman, it should be pointed out to the provincial Treasurer that

when we debated the bill to give the $28 million to Ford we indicated quite clearly that yes, we were in favour of the jobs, but the ends do not justify the means. Those jobs were deserved in Windsor through the auto pact. We shouldn't have to bribe a company to live up to the auto pact. If you advocate that is how you are going to enforce the auto pact then I think this situation is in an even sadder state of affairs than what I had imagined.

We know what kind of investment these corporations are willing to give under the auto pact. As late as April 1979 I had given to me documents from Chrysler management that indicated this company that you and your colleagues have said all along was interested in investing in Canada and Ontario for small car production, as late as April 1979 was planning to continue production of the 360 V-8 engine until 1985. The only thing that has changed that plan for Chrysler is not any great concern for the community in Windsor, or for the auto workers in Local 444. The only thing that has changed Chrysler's mind now is because they are in such a desperate situation and need government handouts and the only way they can get that money is to live to certain conditions.

One of the things that disappoints me about you and your colleague, the Minister of Industry and Tourism, is that you people have been absolutely quiet on the problem at Chrysler. I would like to know what you, as the minister of finance for this province, are saying to the federal government about Chrysler and why you are not putting public pressure on them to say right now, "We accept in principle the idea of assisting Chrysler in maintaining those 13,000 jobs in Windsor." But we haven't heard that. What has your government been saying about TAB benefits for unemployed auto workers?

[4:45]

The Minister of Industry and Tourism wrote me a letter saying he favoured it and then when I asked him a question in the Legislature he didn't have the guts to say it publicly. He doesn't have the guts to put the pressure on the federal government and to say that in a very open and vocal way. It is that kind of non-leadership that makes the people in my party and myself and the people in Windsor frustrated and angry at this government.

I would like to ask a specific question. An article in the Financial Post indicated part of the Chrysler proposal was that there will be an expansion of jobs, but the expansion of jobs and the expansion of production is being encouraged to take place in Quebec. I would like to know if the minister knows anything about that and if he favours it. I don't want to get into a debate on where the jobs should go, but you know as well as I do that right now in Windsor there is 17 per cent unemployment when you consider the temporary layoffs.

Chrysler has existed in Windsor for many, many years but I have the feeling that those 6,000 jobs that were mentioned were replacement jobs—as were so many of those other new jobs you have talked about in the past. A good example of that is the jobs at the Ford V-6 engine plant you people contributed to. I think you will find the $28 million will not have created new jobs; they will simply have sustained the present work force.

I would like to know if you are aware of anything of this proposal to create jobs in Quebec, what your position is on it and whether you will say very strongly that the first and foremost aspect of any assistance to Chrysler should be the preservation in Windsor of each and every job that now exists in Windsor. Then we can talk about new jobs.

Hon. F. S. Miller: I have heard no more than the rumours you have. I am totally opposed to any federal government assistance to redirect Chrysler out of Windsor and into Quebec. It is as simple as that.

I think the law of the marketplace which says southwestern Ontario is the logical location for the great bulk of the automotive parts and assembly industry in Canada pertains and we should see that happen.

I want to point out one thing. It's great again, to say you have your hands on a company document that says the 360 V-8 will be needed until such and such a time. I don't know whether it will be or won't. I just know that in a world where gasoline shortages can so radically alter the demands of car buyers, as they did this year in the States, it is extremely difficult for any orderly planning to take place.

Let's go back a few years. General Motors has an assembly plant at Ste. Therese, Quebec. I don't know how long it has been there. I would say it was built somewhere in the 1960s. As I recall, that plant started out assembling full-size Pontiacs. Maybe you are aware of that. Then somewhere around the time the fuel crisis hit in 1974 and the world price started to skyrocket, there was a sudden US gasoline shortage, as I recall, and a sudden switch away from the big car. Do you remember that, around 1974?

I believe it was around then that General Motors brought out the Chevette. I can't

recall which year it was—1975-76? I was in the business and I would not have lost that kind of date. They very quickly turned that plant over from making Pontiacs and Chevs to Chevettes. For a short time the Chevette and Acadian were sales sensations.

Mr. Nixon: You never had any of them on your lot.

Hon. F. S. Miller: When they started selling Chevettes I ordered Cadillacs. That is one of the reasons why I always succeeded.

In any case, I recall the General Motors Chevrolet division manager in the United States getting great marks in one of the automotive magazines for having this tremendous foresight to know just when to bring the little car into the marketplace.

It was the fastest-selling new car ever brought in. The production lines couldn't keep up. They were going to have to add new plants. They converted the whole plant at Ste. Therese to meet the Canadian and the northeastern American demand. Then wham, the shortages of oil in the States ended; they started having normal supplies. All of a sudden the buying habits of the Americans went back to the mid-size and full-size car. All of a sudden GM dealers had Chevettes and Acadians coming out of their ears; they couldn't give them away. They put packages out to sell them. They had special sales. They converted the Ste. Therese plant back to full-size cars because that's what was selling. Does the honourable member remember that sequence?

We now see the same kind of sequence going on and the companies have, I am thankful to say, in most cases very real ability to adapt their plants. We have seen Ford switch the Talbotville plant from Zephyr to Zephyr plus Pinto this year. Surely, no matter what is said, Pinto is a small car. I would put it in the subcompact range, would the member not? It's being added to Canadian production.

I have seen Chrysler drop the Newport series in Windsor; I guess they put them back in the States. That was the only model in which they showed an increase in sales in last year. They have brought in a much lighter-weight product this year in the Cordoba/Mirada line and put those cars into Windsor. I think the member will agree, did they not? Did they not? Those cars have not been too well received yet; I have a son selling Chrysler—that is my contribution to Windsor.

Does the member know why those cars are not selling? Because of the psychology abroad that the company won't survive. One of the worst things we as politicians do is create that psychology by talking it up so the papers write it, so we are seeing the slump from 18 to 11 to whatever it's going down to for Chrysler. I feel a bit badly about that because the member talks about our responsibility. Our responsibility is to help but not create in the public's mind the panic that aggravates a problem already existing for a corporation.

Mr. Cooke: Mr. Chairman, perhaps we could get around that psychology if the Treasurer of this province and the Minister of Industry and Tourism could convince their Conservative friends in Ottawa to have enough guts to make their proposals and to support the Chrysler proposals and put pressure on Congress—

Hon. F. S. Miller: At any cost? At any cost?

Mr. Cooke: —and put pressure on Congress to accept it in principle, obviously the basic principle being that the American government also has to provide some kind of support.

Hon. F. S. Miller: Let me just point out one thing. Chrysler Canada I am told made a profit last year, except for the variation in foreign exchange. Correct? The fact remains it has had a very loyal dealer network compared to Chrysler US. I think that is correct. It has had a relatively good and stable market. I checked; 66.5 per cent of all the cars purchased by the province of Ontario last year were Chrysler products, did the member know that?

Mr. Breaugh: No wonder you are never going to win Oshawa again.

Hon. F. S. Miller: Those were from tenders my friend, tenders, and the member wouldn't have us take the high tender.

It's just an interesting statistic. Chrysler was going after fleet business, the member knows that. It was taking the taxi fleets, it was taking the government fleets, it was taking the Bell Canada fleets, it was taking Hydro's fleets. I don't blame them. I am just pointing out that those are some interesting statistics. But the member does know, I am sure, that anything Canada does to save Chrysler Canada would be blowing in the wind if the American government doesn't take some action and the American government I understand has turned a $1.5 billion guarantee down to $1.25 billion, put in a series of conditions such as a three-year wage freeze and a demand that the States become involved in active support of such things as purchase of product so the company would

have some support other than from the federal agency.

I tell you those are going to be very difficult measures, but there is absolutely no use saving Chrysler Canada if the parent Chrysler US goes under. Obviously then, Mr. de Cotret, or whoever is charged with the decision in Ottawa will have to await a decision of the US government. Pray to God it's not too late because I want to see that company saved.

Mr. Cooke: The minister didn't hear what I said. What I said was that Mr. de Cotret could accept in principle the idea of aid to Chrysler. One of the conditions obviously would be that the American government also would have to come through. Mr. de Cotret could do that and it would add pressure on Congress in order to pass a reasonable bill. At this point it's only the Senate bill that's unacceptable. The bill from the House of Representatives, I understand, is a reasonably acceptable one.

I want to raise three other quick items. First of all, the minister didn't respond to the question of TAP for displaced auto workers. I think the minister must recognize how very important that is because even if Chrysler does get assistance, it's going to be to 1983 to 1985 before the retooling takes place and—maybe I could wait until the minister—

Hon. F. S. Miller: I am listening.

Mr. Cooke: This is very important so I hope the minister is listening. I haven't had a straight answer from anyone else in his government. We are talking about 17 per cent unemployment in Windsor. We are talking about thousands of people. I want to know what is his government's position on TAP and whether he is willing to go to the federal government and speak out publicly to put pressure on it on behalf of automobile workers, not just in Windsor, but automobile workers in this province?

Second, I would like to know what his position is on a job-creation program for Windsor which is now the city with the highest unemployment in the entire country. I think it's essential that the government get in there and speak with local officials and design a program to meet the needs of that community before the problems of unemployment filter right down through to the retail and other businesses as they are beginning to now.

Finally, I would like to know what is the minister's assessment of the result if the government tomorrow imposes the 25 cent tax on gasoline. What effect is that going to have on the automobile industry? Has he done any studies of that? How much more unemployment is going to be created this time by the federal Conservative government?

Hon. F. S. Miller: The question of the excise tax on fuel; can one hypothesize it is going to take place? Right now that's all we are doing, hypothesizing, because we don't know if it will take place. A good deal of the argument or the rhetoric that flew around the question of the oil-pricing issue, the quick move to world price, particularly through provinces like Quebec and for many of the theorists who are advising ministers—not in my ministry I want to add very quickly—was that a rapid increase in oil price would cut consumption. I attended a seminar at—now you are not listening to me, by the way. If you were a student in my class, you would be staying after school with Mr. Samis and you would both have a few lines to write, like "I will listen to teacher."

Mr. Samis: We both buy used cars.

Hon. F. S. Miller: In any event, at the Ryerson Polytechnical Institute I was listening to an interesting economist deliver a very good lecture on the question of oil pricing. He said it was his opinion that the consumption rate in fuels had an elasticity of about minus 0.1. In other words, for every 10 per cent you increase the price, you had a one per cent drop in consumption.

[5:00]

I have no idea how accurate he is, but if he is accurate, and I sense he is within normal probability or of normal error, I would suggest to you that 23 cents is an awful price to pay for a tiny reduction in consumption. It has to be justified by some other means. It is hitting a consumer today who is pretty well dependent upon the automobile. That is why the reduction is so small. It is hitting him at a time when he can ill afford it because of the number of other measures like high interest rates and at a time when unemployment is higher than we would like to see it. So we would have to argue it is not going to be productive in the economic or conservation sense.

There are many buzz words used. One of the things I have learned always to say is if I don't know something, admit it. What is TAB?

Mr. Cooke: Transitional assistance benefits, which basically was put in place back when the auto pact came in. We have suggested it, city council suggested it and your Minister of Industry and Tourism has supported it in a letter. It is one of the few positive letters I have ever had from him, so

I make sure I don't lose it. In any case, in a letter he wrote to me very recently he indicated he supported the position of the city council and the UAW that TAB should be reinstituted in order to cover auto workers who have lost their UIC and their supplementary unemployment benefits. As you probably know, Chrysler with its massive unemployment has run out of its SUB fund and the TAB program would bring them up to a reasonable level.

I might point out, in the States the auto workers qualify for TRA which is Trade Readjustment Allowance. That qualifies their unemployed workers and I believe it covers about 66 per cent of the laid-off auto workers in the States. They are getting $240 a week which is much better than our workers get. It is to keep them off welfare.

Hon. F. S. Miller: Mr. Chairman, since I am not familiar with the details of the program, I would be very unwise to comment on that, so therefore I would reserve any comment until I check.

Mr. Cooke: Your Minister of Industry and Tourism has supported it and communicated that to city council and to me. He is so bloody serious about it he hasn't even raised it with the Treasurer of the province.

Mr. Di Santo: Mr. Chairman, I am somehow puzzled by the answer given by the Treasurer. I think there is total confusion on the side of the government as to how to handle the automobile crisis. It is really regrettable for him to state that if there is a crisis it is mostly because politicians are spreading statements that create uncertainty in the automobile industry.

On the other hand, today during question period, the Minister of Industry and Tourism said the auto pact is performing well for Canada. I think he should try to clarify his ideas before giving answers to us and before accus- opposition members of creating an atmosphere of uncertainty. Certainly it isn't our fault if Chrysler is falling apart. It isn't our fault if there is a very serious crisis in this sector. When the Treasurer comes to us and tells us Chrysler has good dealerships in Canada and that is the reason for its success on this market, I think he handles the issue from a very narrow point of view that doesn't reflect the complexity of this industry.

It isn't good enough for the government of Ontario to say, as the minister said before, "At this point we don't have any definite answer and we don't know what Congress will do and we don't know what Mr. de Cotret will do."

From last week's report in the Financial Post comes something very dramatic and most serious. We have a company which wasn't even able to give acceptable figures to the government. I think the minister read the statements Mr. Craig made that in Canada Chrysler has only 10 people in the accounting department and they were not even able to produce credible figures. They had to ask the people in Detroit to do the work for them. What's more serious is the fact that Ontario has been completely cut off from negotiations.

I'd like to ask the minister if he doesn't think it's the responsibility of this government to make our position clear, because most of Chrysler's production is located in Ontario. We cannot just wait until Mr. de Cotret decides, or for the decision of the American Congress.

Our question is does the minister have a position, and what is he doing in order to avoid a collapse in the Chrysler situation in Canada and in Ontario? The minister hasn't been able to answer this question.

Hon. F. S. Miller: Mr. Chairman, it's fair to ask me any of the questions about any part of the economy, I quite agree. But the honourable member has to understand that the Treasurer doesn't personally negotiate with every single sector or industry. The Minister of Industry and Tourism has been the minister who has carried out the person-to-person or ministry-to-company discussions, therefore I am not always current as to what has gone on in a particular discussion. I am certainly aware, in general, of the trend we're following.

The trend we've been following is to await an understanding of what the US government is doing, which in turn will influence what the Canadian government is doing and which in turn will influence what will be necessary for Ontario to do.

There's a lot of argument in the States whether anything should be done at all, because a lot of people from the States feel that the 400,000-odd people working for that company in the States would not be out of work but would end up, in the main, working for the remaining two major automobile manufacturers. I don't subscribe to that. I'm simply saying that's the kind of argument that is being put forward by a number of critics of the American plan.

Anything we do with the workers of Ontario, through either level of government, has to be done with the assurance that the parent company is going to survive. To do it any other way is absolutely ridiculous. You

can't deal with hypotheticals until you see the facts.

Mr. Di Santo: Thank you, Mr. Chairman. I think it's fair for the Treasurer to say that he's not involved in specific aspects of the industry; I agree with that. But when we are faced with a major crisis—and I think the Chrysler crisis is the single most serious problem we have in the Ontario manufacturing sector—we expect the Treasurer to take leadership. As the person responsible for the economy of the province surely he is required to give us answers.

I think there should be some conversations at cabinet meetings. When we see that the Minister of Industry and Tourism not only doesn't understand the problem, but as late as November 17 comes up with the idea of another study on the automobile industry, surely the Treasurer should remind him that in 1978 his ministry did an exhaustive study on the auto pact and came out with the idea we have been propounding for years: that we are not getting a fair share from the auto pact. I think it's the Treasurer's responsibility to come in front of us and justify the inability of the government to deal with these important issues.

When we see General Motors is announcing they will spend $2 billion in Canada in retooling, out of $38 billion in the North American market, surely it is the responsibility of the Treasurer to say that is not good enough. If we have one tenth of the North American market, surely we are entitled to have one tenth of the manufacturing in Canada.

The Treasurer should answer us now, when we are talking about the lack of research and development and the lack of skilled jobs developed in Canada. The Treasurer should be able to tell us if we are content with having only jobs and some manufacturing, and therefore to perform a service function or if we want to be able to develop a manufacturing sector which is self-sustaining and is comparable to other countries that produce and buy fewer cars than Canada, but which have flourishing automobile industries.

I want to remind the Treasurer about other companies—I want to mention some of them: In 1978 BMW, in Germany, produced 311,793 cars and employed 37,581 workers; Peugeot/Citroen produced 1,596,000 cars and employed 190,000 workers; in Canada, in 1978, we bought 1,366,000 cars and we employed only 63,000 workers.

Has the Treasurer asked himself why it is we have this situation in Canada and why we have this situation in the auto pact? If we have in the auto parts industry during the first 10 months of this year, a deficit of $3,287 million; surely that has a serious impact on the economic performance of Ontario and results in a lot of lost jobs in Ontario. Has the Treasurer ever calculated how many jobs we lose because of the huge deficit in the auto pact? Has the Treasurer ever examined the performance of the auto pact where we went from a deficit of $90 million in 1969 to a deficit of $2,512 million in the first 10 months of 1979?

Surely this is not a brilliant performance. We are entitled to ask the Treasurer to give us answers because these are serious questions.

Hon. F. S. Miller: The member hasn't been here all through the debate and at times his critic has touched upon some of the issues he has mentioned.

I would point out, if the number of people employed per car produced by Peugeot and BMW that you mentioned is correct, it may explain why those cars cost quite a bit more than North American cars. I suspect we have fairly efficient manufacturing plants here and runs that permit economies of scale. Dollar for dollar, I still think North American cars are the best buy on earth, even if some of the members over there happen to be driving imports.

By the way, I'm having a little survey done on the cars driven by each member of the Legislature and we'll be giving members a rundown on who's driving what one of these days, very shortly—by licence number. I'm going to do it my own open way—just go out and count the slots, take the MPP licence numbers and see who's driving Volkswagen Rabbits—MPP 046 is a Volkswagen Rabbit, I know that.

There's a Mercedes Benz in the NDP caucus. I spotted one the other day; white, 1975. I think the owner sits in the front row. A few other things like that.

Mr. Peterson: The big question is, what's Bill Hodgson driving?

[5:15]

Hon. F. S. Miller: That is one of those campaign changes that didn't quite catch up with the car. A campaign change, for the edification of the member for London Centre, is one of those notices you get by mail telling you to please bring your vehicle in because a part is to be changed. That is called a campaign change. It's not a political statement, if that's what he means.

Mr. Peterson: What's that got to do with changing the shrubbery in front of the building?

Hon. F. S. Miller: I drive a Chrysler product. I got a letter from the company. I, at least, am doing something to support Windsor. In any event, I got a little letter on Saturday morning that said, "Please come in because your car may have an accelerator that sticks."

One of the basic principles one has to resolve in a capitalistic society is when should the state intervene in the saving of a company? That, I think, is being argued in the United States more than any other issue in terms of the Chrysler matter.

The second thing is if you accept the fact that the state will intervene—and we in Ontario have accepted that principle; witness the aid to the pulp and paper industry—one must then determine that the aid will not go down the drain; that in other words, it will not simply support a company that is past the point where it can be resurrected.

In our case, we took the time to carefully study the industry before the plan was tailored. In the case of Chrysler I suspect no such opportunity had been given to the government because the information wasn't readily available. I suspect one of the major factors, apart from whether the government of the United States should become involved at all, is whether the company is at the point in its economic state that the money will turn it around.

Once that's decided I hope we'll have an answer.

Mr. Ruston: It was interesting to hear the last speaker and the Treasurer replying with regard to the automobile industry as it is now and as it pertains to Windsor. Some people living in Windsor would like to see more diversity in industry other than just automotive. Mind you, there are a number of smaller plants in the city now and many are in research and development.

I was talking to some neighbours of ours last evening about one small industry which now employs 300 people; that increased from 30 over the last six years. It is one of the very highly rated research and development companies in Ontario which goes to show you what can be done in that area because we do have the manpower and the expertise.

The Treasurer's comments about Chrysler and the United States, of course, are true. I understand there is supposed to be a vote in the Senate this week on whether they're going to give aid to Chrysler and whether they're going to give a $1.5 billion loan guarantee. I think we have to hope that the government of the United States will come to the company's aid at this time. Of course, many people in the States are fighting that very strongly.

It's interesting that one of the senators from Indiana who was defeated in the last election was a great defender of the United States on the auto pact; he always said they were getting the short end of the stick. Probably some people would remember his name, Vance Hartke. However, he was defeated in that election even if he did get $310,000 from the United Auto Workers and the AFL-CIO to help him get elected.

Another senator—or congressman—from that state was one of those who seconded the motion to put the freeze for the workers in that loan agreement which is going through the Senate.

Doug Fraser, president of the UAW in the United States, has said they really can't negotiate with prices any more. However, I noticed that in an article in the paper on the weekend, he said, "I learned long ago never to say never." He said, "I suppose in a way there might be some minor negotiations, or they may furnish some money if it is guaranteed by the government." I think the UAW have already agreed to give a sizeable amount to Chrysler, providing it is guaranteed by the United States government.

Interestingly, Mr. Chairman, the Treasurer was talking about the imported cars around. I read an article in the newspaper the other day with regard to the number of countries from which we import cars; we do not export to one of them. I believe in being a trading country, but it is not really a two-way street when we import so many cars from Italy, Japan and Russia and do not sell a car to one of those countries. If that is the case, we shouldn't really be buying their cars. I believe almost 50 per cent of the cars sold in Los Angeles and San Francisco are imported cars from offshore.

As far as auto pact cars are concerned, I classify any car you buy in Canada or made in Canada or the United States as an auto pact car.

The Treasurer mentioned receiving a notice about having his car called in. It must be the same as we have, an Omni. A beautiful car and about 32 miles to the gallon—up to 40, depending how you drive and what you have. If you want to save fuel, Mr. Chairman you can cut your fuel consumption in half by going from a large V-8 to one of them. In our family this year we are going to cut our fuel usage down from 2,100 gallons to 1,400 gallons. It can be done, providing the companies have the money for research and the facilities to build these cars.

This is the problem, Mr. Chairman. Regulations the government put in over the past 10 years with regard to environment, air pollution and gas consumption are costing billions of dollars. In General Motors they figure it costs about $300 to increase the gas mileage in each car, whereas in a smaller company like Chrysler it will probably cost about $500. That's one of their problems.

I suppose another of their problems over the years has been poor management. If a company gets into financial trouble, one says that in some way it was mismanagement. Part of the mismanagement would be the number of cars they built last winter without a market for them. They would have to store them and then sell them the cheapest way they could, with the refund of $400 which I got on the one I bought a few months ago. That was a Chrysler Cordoba.

CBC in Windsor is the only TV station we have in Windsor. Thank goodness we have them in Detroit. The only Canadian station we can get very well is in Windsor, unless we pay a lot of money for a beautiful aerial, then maybe we can haul in CTV or Global from some far-away transmitter.

When Chrysler was having all its problems there was that beautiful young lady who gives out the news every night and she was saying, "Chrysler's gas guzzlers are piling up in the fields out there; they can't sell them." Two or three nights a week she would be talking about Chrysler and their gas guzzlers. I got rid of my other car and got what she called a gas guzzler and I am getting five miles more to the gallon than I was getting on my other one. I have cut down my consumption 20 per cent or 25 per cent right there.

Mr. Nixon: Send that to the president of Chrysler and he will send you a new car.

Mr. Ruston: They already sent me $400; that's plenty.

Mr. Treasurer, what they are looking for, of course, is what we have to consider. An interesting concept of all that is the government, with its 21 cents a gallon tax on gasoline, will receive about $140 a year less from our family because of our reduction in gasoline consumption. But we are afraid the new Prime Minister, Mr. Lougheed and his energy minister, Mr. Clark, and his waterboy, Mr. Davis, are going to Godzilla us tomorrow night—whatever that word is. Anyway, in our area we understand Mr. Lougheed is the new Prime Minister of Canada and the new Minister of Energy is Mr. Clark. They had to have a waterboy so they named him the Premier of Ontario. I am afraid that is what is going to happen tomorrow night.

With the conversion of the automobile industry to smaller cars and smaller engines, there is no doubt we can compete. As you said, cars made in Canada and the United States are of even better quality, or just as good a quality, and as economical to run as the imported ones. Of course, the imported cars have gone up in price because of the devalued dollar, but it hasn't slowed down sales very much. That is the thing that worries many people in the automobile industry.

Mr. Chairman, all I want to put across to the Treasurer is that with the way industry has had to make changes over the years under a lot of pressure from government, environmentalists and so forth, we have put our automobile industry in a pretty bad way. Of course the biggest company, General Motors, has been able to handle that because of its diversification and the number of models they have. If the sales of one slow down, they sell a great many of another kind and away they go.

If you drive around the General Motors transmission plant in Windsor today, it is unbelievable to see the construction going on all around that two- or three-block area. By the end of 1981 they will probably have more employees in Windsor than the Ford Motor Company because of their extension of the transmission plant. The problem is that doesn't help us out at the present time. It helps the construction industry a great deal.

The concern we have is whether the industry can afford to put in the necessary machinery and so forth to convert to more economical engines and smaller cars. That is the thing we have a great concern for. We feel all levels of government are going to have to probably help in some way to see they carry out these goals.

Hon. F. S. Miller: I think the honourable member may be wrong in a comment he made. We can let the record be checked, but he said we don't export to any of the countries that ship vehicles to us. I am told Ford's Libertyville plant does nothing else but export business and GM is exporting. We can check individual countries.

Mr. Ruston: The countries are named, Mr. Chairman. I am sorry, I don't have them with me.

Hon. F. S. Miller: There is one thing I should point out. The honourable gentleman ended up saying GM is building a large plant in Windsor right now but it isn't going to help immediately on the automobile workers side. I accept that. The only optimistic point I make is that a good many people are pre-

dicting a sales rebound shortly in the automotive sector.

Mr. Laughren: Big cars or little cars?

Hon. F. S. Miller: A lot of people have tried to tie the sales slump to the interest rates. Having been a dealer back in the 1960s I made the observation the other day that interest rates today for the average purchase of a new or used car are lower than they were in the 1960s when the bank rate was six per cent.

Mr. Worton: Taking into consideration inflation.

Hon. F. S. Miller: No, I'm just taking the nominal rates. If we go back to those days, we recall that the bulk of the cars were financed by the retail credit companies. The rates varied from a low of 14 per cent to a high of about 28 or 30 per cent. There was seldom any car sold in the used car field at less than 18 per cent and most were sold at 24 per cent.

The reason I say that is that when the Bank Act was changed, I think in 1966, the banks were allowed into the field. If one traces the switch to see where the retail credit has gone, you find the banks moved aggressively into that field and brought down the cost of financing. Every car salesman in the world in the old days knew that no one shopped credit, they shopped price of car. Today, thank goodness, through the competition in the finance business, people shop both. I will tell you the cost of credit is more important in your shopping than the price of the car.

It is interesting that even at today's relatively high bank rates of interest, nominal rates, the retail credit purchaser often is getting a better deal than he got in those days, unless he had a secured loan. Just a little matter of interest because so many people today say, "That's one of the reasons I can't afford to buy a car."

The second thing: When they predict these sales rebound they are almost always right. If they are right, one of the big issues then is what size of car is going to rebound? We talked about that earlier. There is a big disagreement in the automotive industry right now as to whether there is going to be a return to the "normal," the Malibu or Zephyr size or the intermediate compact, whatever you want to call it; the full-sized Chevy, which is now down to the size of a 1978 Chevelle; whether we are going to see a tremendous subcompact surge.

I suspect that the price of oil and the federal tax on fuel, in Canada at least, may have an influence on the kind of car purchased. I am not so convinced it will have any influence on the numbers of cars purchased because I am satisfied that the ratio of 1.8 people per car in Canada right now—is that right?—will be reduced. We are pointing to a shorter and shorter life cycle and we are having more and more cars per capita. I sense that the downturn we are in now is cyclical, but as always in the past we will see an upturn before too long. I am not trying to be a pie-in-the-sky optimist, but I believe that is generally the case.

Mr. Laughren: Do you think the deficit is cyclical too?

Hon. F. S. Miller: Well sure. They are very painful things.

Mr. Laughren: Even though we are not building small cars?

Hon. F. S. Miller: The member was talking about imports and, heavens, I suppose all of us have driven one or more in our lives. But what I worry about with some of the imports is the pricing of them. I think we as parties have some right to ask those who watch the price of imported products to make sure they are being sold at a fair price relative to the home market.

Mr. Laughren: I know what's coming now.

Hon. F. S. Miller: I'd hate to say that the Lada was selling at a fair price relative to the home market, because the communist countries for a long time have made a point of selling their products to get foreign currency, not to make a profit.

Mr. Laughren: Does the minister know that for a fact?

Hon. F. S. Miller: Yes, I do know it for a fact. I think it was $30,000 versus $4,000, if the member wants the exact figures.

I'd even go and say I think a case might be made—and I will qualify it by "might"—on the Volkswagen Rabbit in North America even.

Are you 046? Is that your licence number?

Mr. Deputy Chairman: Is the minister addressing the Chairman?

Hon. F. S. Miller: No. No.

Mr. Deputy Chairman: The Clerk generally doesn't take part in the debates of the House.

Mr. Nixon: The Chairman, does he drive a Mercedes?

Mr. Ruston: He is laughing, though. He is right.

Hon. F. S. Miller: It's you is it?

Mr. Deputy Chairman: If it will save the Clerk any embarrassment, I'll accept the responsibility.

Hon. F. S. Miller: A red one at that. Oh well, I have uncovered one of my allies.

Mr. Deputy Chairman: No, the minister will find I have a nice little Citation now.

Hon. F. S. Miller: A Citation, that's fine. But there has been some argument, for example, that the pricing in North America is inconsistent, that if we look at the price in the US versus the price in Canada, there's an imbalance. The reason I point these things out is we have gone through the General Agreement on Tariffs and Trade negotiations. One of the basic parts of it all was that products must be sold at fair prices and since the tariff barriers are coming down there must be some protection against dumping, unfair pricing et al.

I think we have to make sure that if these products are being sold unfairly, our home market has a right to be protected and I suspect that I get some support from those of you opposite us. I am talking about a bare car price. One of the things that continues to worry me—and the member touched upon it—is about buying foreign products. He said the proportion was 50 per cent in California. Certainly California has a lot of foreign cars. I saw our figures; I can't recall. It was about 25 per cent of sales are imports, something like that. I always worry about this belief that you have to buy something foreign to get something good.

Mr. Bounsall: Who said that?

Hon. F. S. Miller: No one in this House, but I don't think a lot of people purchasing products take enough time to recognize where it's made. I feel that's one of the responsibilities we as politicians have from time to time. You will hear somebody bitterly complaining about the lack of work and see he's using foreign products, no matter what they may be, when Canadian products are available.

The last thing the member touched upon was pollution abatement equipment and the effect upon the cost of the car. I don't want to get into an argument about pollution abatement. The objective is fine. What worries me is that pollution abatement has been a tradeoff against fuel economy. In a fuel-hungry world I have to wonder which of the social objectives is the more important and how can we trade them off so that the consumer doesn't get bankrupted in the process?

Mr. Bounsall: I just have one overriding major concern I would like to mention to the minister. I sat here this afternoon and listened to various of my colleagues in the House talk upon the problems in the auto industry. I am very concerned, hearing the minister's low-key replies which indicate to me a lack of concern, over getting in place immediately some transitional assistance benefits.

The minister can talk about a rebound coming in the very near future. If that rebound takes place in the employment of auto workers in Ontario or Canada, fair enough, then the transitional assistance benefits will not be in effect. But I just want to very quickly run through with the minister the situation the Windsor auto workers are in.

There are more than 2,300 on indefinite layoff from Ford. Those people will not get back to work until the new engine plant in Windsor is complete. There is now in excess of 2,200 laid off from Chrysler; another 850 are to be put on indefinite layoff as of January 2; the whole of assembly plant 6 is to be shut down on December 17, so in fact the layoff of the 850 starts next Monday. Of those roughly 5,000 workers directly in Chrysler and Ford, 2,000 of them have run out of their supplementary unemployment benefits, of course. They have run out of all unemployment insurance benefits. At the end of this month or early in January, 2,000 of those 5,000 will be on the welfare rolls essentially awaiting the going back into production of the Ford plant and Chrysler bouncing back.

If there ever was a need for transitional assistance benefits and if there was a meaning to that actual phrase, it's in Windsor at the moment while they await the coming on stream of that engine plant at Ford and the bounce-back of Chrysler, which I firmly believe will occur. The minister made mention earlier this afternoon of a lack of confidence in Chrysler surviving as a corporation. I don't believe that at all.

There's a world of difference between the feeling around Ontario as I have seen it with respect to Chrysler products and the feeling that was around in the last couple of years of Studebaker, particularly because Studebaker in those times was making a product the consumers did not trust. This is not true with Chrysler products. They happen to make a very good product, but a product which in many people's minds is not the product they wish to buy at this particular moment.

Certainly the press has not been helpful in calling the Cordoba or the Cordoba Mirada a gas guzzler. In fact, they are getting rather excellent mileage. They certainly are getting better mileage on those new vehicles than I am getting on my 1977

Volare wagon. It is an eight-cylinder engine but in a small Volare. The wagon is not very big, but the new cars produced in the assembly plant in Windsor are getting, I would think, five to seven more miles to the gallon than I am getting from my Volare; quite respectable in this day and age in terms of consumption.

So there is a problem with respect to educating the public as to what the gas mileage the cars being assembled in Windsor are getting. I think Chrysler will surmount that. I think they will have enough time to survive if the funds from the US and Canadian governments come through. They will survive and will, under the new management they have, produce a range of cars which will be bought by the public. But until that occurs, there is a very desperate need for the workers in Chrysler to achieve some additional benefits. There is a very definite need for the workers at Ford to have those benefits while they wait around for that engine plant to become operational.

The term "transitional assistance benefit" fits their situation exactly. I am concerned this Treasurer seems so lackadaisical or off hand with respect to pressing the federal government to get those transitional assistance benefits in place. This is what is desperately needed now. Within the next two to three weeks, 2,000 workers will go on the welfare rolls of Windsor, their unemployment insurance having completely run out. It is just the start of those numbers which will accrue over the next year or two until Chrysler regains its situation and Ford gets the new assembly in operation.

What concerns me is your attitude; not appearing to be at all forceful or really all that aware of the need to get these in place now and being very firm with the federal government about that need. If, as you predict, there is a bounce-back in six months' time, the way the transitional assistance benefits are written will take care of many of those workers desperately in need of the receipt of them now, so that is no argument for not getting into it and not having those transitional assistance benefits in place.

This afternoon I phoned UAW Local 195 in Windsor which deals with all the auto supplies, the amalgamated local that deals with auto suppliers. They have 1,000 persons on indefinite layoff in the auto feeder plants around Windsor now.

Again, in a few short months many of those will be out of unemployment insurance benefits, quite apart from the very intermittent nature of their work which means two weeks at work, three weeks off, with this sort of pattern occurring right across the auto parts industry. There is another 200 to 300 suspected indefinite layoffs rumoured in the very near future in those plants covered by UAW 195 for those auto parts workers. That transitional assistance benefits program is desperately needed in place now, because the provincial government is going to end up paying 80 per cent of the welfare costs in any event.

Let me say to the minister this is a very serious transitional situation we are going through at Windsor. Last week in Windsor I talked to the manager of the bank I deal with. He indicated he had no more than a handful of applications for mortgages come through his particular branch since June. He has a file so thick he didn't want to pull it out of his desk to show the number of mortgages in very great danger of being called.

[5:45]

That's the economic situation in Windsor and all for the sake of having some transitional assistance benefits in place to carry them over to the time when they will be returning to their normal work. It's very desperate in the Chrysler situation and in the Ford situation.

This government should be doing everything it can, not just for the normal revenues that will benefit this provincial government by having those workers receive some sort of benefit, but for those very great personal problems which will arise in the Windsor area as a few more months go by and no assistance of the kind I speak of is forthcoming. There are numbers of families whose houses are going to be lost because mortgage payments cannot be kept up and numbers of families will be evicted for nonpayment of rent because they do not have the money. They will find themselves wanted for work and back at work in a year and a half to two years' time.

If the predictions are correct and the financial arrangements are forthcoming from the US and Canadian governments these workers will be employed in a couple of years at the very latest. Even the workers with the least seniority will find work. However, this government refuses to become serious with the federal government in urging it to provide some transitional assistance. It's very difficult to look ahead with absolute clarity as to what's going to be achieved but one could predict that this need for transitional assistance is a situation which will be completely cleared up in two years time.

These benefits should be in place now and this government should be urging the federal

government to take this situation very seriously. There is not much point when one sees the personal tragedy in family after family going through this very lean period, losing their homes only to return to the job in a year and a half or two years' time and making sufficient money to get back into the housing market but unable to do so because they had to renege on previous mortgages.

That's going to be the plight of 2,000 or 3,000 home owners in the city of Windsor because of this government not urging the federal government to get into the transitional assistance benefit schemes which have worked in the past and can work now.

Hon. F. S. Miller: Mr. Chairman, I have been intrigued in the last hour and 20 minutes of the debate—

Mr. Laughren: We're not finished yet, either.

Hon. F. S. Miller: No, I recognize that—to realize how neatly the ruling of Mr. Speaker has been circumvented because most assuredly what you've had this afternoon has been the emergency debate on the topic. I suspect once the speeches were written to show the great flexibility of the members of NDP, they have been delivered.

Mr. Laughren: What is wrong with that? We happen to think it is a very serious problem and you don't.

Hon. F. S. Miller: I'm not arguing that and I think quite frankly—

Mr. Laughren: Then what are you making those snide comments for?

Hon. F. S. Miller: Are you ever that way?

Mr. Laughren: No.

Mr. Breaugh: He is too short to be snide.

Hon. F. S. Miller: Listen, don't attack him on that basis. I'll stand and rise in his defence if I can.

Mortgages were touched upon and the number of mortgages issued. I'd like to point out that if one looks across Ontario one will find a sudden slump in the demand for mortgages and not just in the city of Windsor.

Funnily enough, very recently one of the members of the NDP in questioning me about the housing market in Windsor and the Ford assistance was complaining about the increased price of housing due to the recent increased demand and the fact that the basic price had gone up by—I think somebody quoted 10 per cent to 15 per cent—

Mr. Laughren: Forty per cent. If a man has an existing mortgage he has to make payments on it.

Hon. F. S. Miller: Forty per cent in the last few months. In other words, when it's good you complain and when it's bad you complain. I have a great deal of difficulty understanding which you want.

Mr. Bounsall: Very briefly, on that. Sure. Because of the rumours of the Ford plant coming in and then the announcement, housing prices did jump over a three- or four-month period to 40 per cent greater than they had been. But it then became very clear after only about six or eight months of that those jobs would not be in place until late 1980 or early 1981. From what was happening in the other parts of the Ford Motor Company, it was there would be no net gain in total employment in Ford in Windsor and the prices levelled off immediately and started to decrease slowly.

The Chrysler situation has made it such that we're back to what I would call normal prices for Windsor, prices that would have pertained in the summer of 1978. But that's nothing to what is going to happen to the prices when there is mortgage default on top of mortgage default over the next two or three months if this government and the federal government don't get serious about transitional assistance benefits.

If the governments don't do so I will ask the Treasurer if he is not at all concerned about the numbers—it isn't going to be just handfuls, we're going to be talking in the hundreds, in Windsor—of mortgage defaults that are going to occur if there are no transitional assistance benefits.

Hon. F. S. Miller: Of course I am, Mr. Chairman.

Mr. Laughren: I wasn't going to speak in this debate this afternoon, but the Treasurer has provoked me. Perhaps he understands now and other members of this assembly will understand why it is we felt so strongly about having an emergency debate this afternoon in this chamber.

The response by the government to all the issues we raised around the auto pact and the resulting deficits and layoffs had to do with the concern for the future of Ontario. The Treasurer doesn't seem to understand what is happening.

There were four main reasons why we wanted to have the emergency debate this afternoon and every one of them is reinforced by the Treasurer's performance this afternoon.

One, 27,000 layoffs across Ontario in November; 13,000 indefinite layoffs currently in effect;

Two, record high deficits in 1979 pushing us towards the $5 billion deficit which the economists are now predicting;

Three, we have learned indirectly—the Treasurer would never be so honest as to admit that, or the Minister of Industry and Tourism—the government of Ontario has opted out of all the negotiations with Chrysler with the aid the federal government is considering to give them. That means there go the guarantees for Ontario in any aid that is given to them.

Finally, there is the certainty we're not going to get our share of the new investments, particularly in small cars and small car parts that take place by the Big Three in the years to come.

Those are the reasons why we're very concerned about it.

The Treasurer doesn't even seem to understand it's the investment in the auto industry today that guarantees the jobs tomorrow. His own Ministry of the Treasury in 1978 produced a very good document called, Canada's Share of the North American Automotive Industry: An Ontario Perspective. It was a very good report. If I was working in the Ministry of Treasury and went through all the work of producing a document of this calibre and then saw what the Treasurer did with it, I would no longer be working for that Treasurer.

I don't know how the Treasurer or the ministers over there think they can employ high-calibre civil servants who have produced good documents with good analyses and then merely sit on them or throw them in the garbage can. That's basically what the Treasurer has done. I think of the work and the research that must have gone into this document and we have had no evidence at all since then.

Do you know what the government's response has been when we raise the question of the auto pact? Do you know what the Minister of Industry and Tourism said? He said if we were asking him to go after a fair share, he didn't know how to define fair share.

Maybe if he had picked up this document and read it he would have found a very neat definition of fair share telling him exactly what the Ontario perspective on fair share should be. When we tell him to get off the sidelines and into the game he says, "We're very deeply involved in all the negotiations with Chrysler," and so forth. Then we pick up the Financial Post and we find out Ontario has opted out completely to the federal government because of a strange kind of relationship between the federal minister and somebody in the United States. That's the kind of response the Ontario government makes. It's getting very hard to take.

The Minister of Industry and Tourism also stands up and proudly trumpets the investments by GM in Ontario. He's happy with their investment plans. Is the Treasurer happy with their investment plans?

One day the Minister of Industry and Tourism tell us he's happy with them and the next day he tells us he is not happy with them. The Treasurer, of course, doesn't say anything at all, but by every measurement you want to use, we are not getting our fair share under the auto pact. You can use any measurement you want, any benchmark, and we're not getting it. The Ontario government report says that very clearly.

Mr. Craig, the chief negotiator for the federal government with Chrysler, has put it very succinctly. My colleague from Downsview raised it. He said it's a branch-plant operation. They don't care what goes on here. Decisions are not made here; it's a lot of nonsense. When I see the Treasurer sitting there and giving us these half-baked responses to what I consider to be very serious questions, it makes me very angry.

I would only ask that the Treasurer go back to that 1978 document. It just happened to be a Treasury document. It wasn't a Ministry of Industry and Tourism document. Maybe we need to return to the days when the Treasurer of Ontario was more involved in what goes on in the manufacturing sector. This Treasurer has abdicated to the Minister of Industry and Tourism. Either that or the Minister of Industry and Tourism has stolen that responsibility from him. It's one or the other.

We need to go back to the days when the Treasurer, who is supposed to be charting the economic future for this province, had something to do with long-range planning. This Treasurer has completely opted out of that. He's opted out to the wrong minister, too, I might add.

I would ask the Treasurer to go back to that 1978 document, even if he only reads the summary. Let him read the summary and get it very clearly in his mind that we are not getting our fair share. I would ask the Treasurer simply to go back over that document. It's too much to ask him to take some new initiative of his own. He's abdicated all new initiatives to the Ministry of Industry and Tourism. I ask him why he is not involved in some of these things.

On motion by Hon. Mr. F. S. Miller, the committee of supply reported progress.

The House recessed at 6 p.m.

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Monday, December 10, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

House in committee.

Mr. Cunningham: On a point of order, Mr. Chairman. Again I notice there isn't a quorum here tonight. I am wondering if the government is able to provide more than two members for the debate tonight.

The Chairman called for the quorum bells.

On resumption:

CROWN TIMBER AMENDMENT ACT
(continued)

Resumption of the adjourned consideration of Bill 77, An Act to amend the Crown Timber Act.

On section 5:

Mr. Martel: Thank you, Mr. Chairman. May I begin by asking for the consent of the House to withdraw my amendment? I understand we need unanimous consent. I want to give some reason for doing so, if I have the consent of the House to withdraw the amendment. I will read it, just to remind you what amendment I am talking about. You will want to get the flavour.

The amendment I moved was that section 5a(1) of the act, as set out in section 5 of the bill, be amended by inserting after the word "agreement" in the sixth line, "shall provide for the yield to be sustained on the basis that at least two trees are planted for every tree cut under the agreement and to regenerating every acre harvested."

We all know where it came from. It is a good amendment, isn't it?

Mr. Chairman: The honourable member asked about unanimous consent. Did you want it now or at a later time?

Mr. Martel: I would like to ask consent, then I would indicate why I am withdrawing the amendment; or I can tell you why and then ask consent to withdraw it, whichever is convenient.

Mr. Breithaupt: Let's do it the last way.

Mr. Martel: All right. Mr. Chairman, you will recall several weeks ago when we were debating this bill I was not satisfied with the term "sustained yield." Remembering this famous Magna Carta that found its way into the last provincial election, I had no alternative but to support the Premier (Mr. Davis).

You will recall in item number seven of that magnificent charter—

Mr. Watson: That's a great number. I like a great number.

Mr. Martel: We could leave it in, but we will come to that in a moment too. It involved a commitment to replacing at least two trees for every one harvested henceforth in Ontario and to regenerating every acre harvested. Being naive I believed the Premier, so I moved his amendment. That amendment has a history, because it was my former leader who said one tree for every tree cut. In the middle of an election the government had to do one better so they made it two trees for every one cut.

Mr. Gaunt: Do I hear three?

Mr. Martel: I thought for a while the way the minister was responding several weeks ago that three or four, it didn't make much difference—what was the word you were using?

Mr. Young: The spirit.

Mr. Wildman: Symbolic.

Mr. Martel: It was the spirit, it was symbolic. Well if it is only symbolism then it is a lot of rot; but I believed the Premier where my friends over there wouldn't.

I wanted also to move that amendment for another reason. Several years ago when I was writing to one of your predecessors about reforestation in Algonquin Park, I was again taking the naive position that we should at least replace every tree that was cut with another one. Frank Miller, our present Treasurer, told me I didn't know what I was talking about, but it is interesting that the Premier, whom I trust, made it two for one; so obviously Frank didn't know what he was talking about.

I thought the best way to put it into focus was to move that magnificent amendment. Then I read an interesting report. Let me just quote briefly from a commission report. It says:

"When the extent of the resources to be administered and protected are reflected upon and the funds which have for several years

been made available to the service considered, it is quite apparent that the forest service of Ontario has been treated quite as liberally, if not actually more so, than have other provinces and dominion. This fact notwithstanding, there is ample evidence the government of Ontario also has followed the practice of extracting too great a toll from its forest resources without returning thereto by way of protection and competent administration the amount which proper conduct of the forest business would demand."

That statement came in a Canadian royal commission report on pulpwood in 1924. What have we done since then? I thought I would rectify it by moving the Premier's amendment. So with Miller chastising me, with the Premier making all these grandiose promises, I went ahead. I must say I was soon shattered, to say the least, when we moved the amendment to read the minister's response, and through him the government's response, to the Premier's promise; and then to find the supporters of the government prepared to stand in their place, of all things, and vote against the Premier's amendment.

That was devastating. That is one of the reasons for my withdrawal. I felt that if they aren't going to support the Premier and make him credible, why should I? Why should I, if that side of the House is not going to do it over there. I was prepared to do it, but when I couldn't muster any support from that side of the House I had no choice but to reconsider my position, which I have subsequently done.

Hon. Mr. Auld: I hope the Premier doesn't come in before we get unanimous consent.

Mr. Martel: Well maybe he will support me; it would be something new.

A second factor entered into my decision to ask the House for unanimous consent to withdraw my amendment. That was a statement prepared for the minister by some of the people in the ministry who apparently know something about forestry. Obviously the Premier didn't.

I would just like to read into the record a few extracts from observations of the experts in this field. It doesn't come from me, however, I want to say it doesn't lend any credibility to the Premier's words of wisdom back in 1977.

There were four points made about my amendment—and I want to substitute, if I might, as I go along, the name Davis for Martel and the name Brampton to represent a riding rather than that of Sudbury East. I just want to make those substitutions because I moved the Premier's amendment.

Mr. Foulds: In the absence of the Premier.

Mr. Martel: That's right; I wanted to do that. Anyway, if we make those substitutions I will tell members the four reasons why I withdrew. They convinced me that they were right.

I am quoting the memorandum prepared for the minister. It says:

"This amendment in effect redefines the same yield to mean the planting of two trees for every tree harvested and regenerating every acre that is harvested.

"This redefinition of sustained yield conflicts with the definition of that expression as set out in subsection 2 of section 5a, namely, 'a growth of timber that a forest can produce and that can be cut to achieve a continuous approximate balance between growth of timber and timber cut.' In our opinion, this conflict that is created in virtue of the amendment proposed by the"—member for Brampton—"must be eliminated."

Not shall or will, "must." Well it goes on, it says: "Legislation ought not to be contradictory, since the definition of sustained yield . . ."—

Mr. Hennessy: You're using big words tonight.

Mr. Martel: That's right; ". . . since the definition of sustained yield set out in subsection 2 of section 5a conforms, generally speaking, with the understanding of that expression by the forest professions across Canada, the US and other countries, we are of the opinion that the proposed amendment redefining sustained yield ought to be withdrawn. It would be most undesirable to adopt in legislation the definition of sustained yield proposed by the member"—for Brampton, if I am allowed to make that insertion—"when it would conflict with the generally accepted definition of that expression and reflect unfavourably upon the Legislature and the forestry profession in Ontario."

Now I didn't realize I was doing that. I just thought I was putting into effect what the Premier foresaw for the province.

Mr. Wildman: Would Davis do that?

Mr. Foulds: The Premier was casting that reflection on the Legislature and on the forestry profession in Ontario.

[8:15]

Mr. Martel: That's the first reason I thought I had better withdraw. It makes sense, but you know who didn't make sense then.

Secondly, "We are advised that the amendment proposed by the member"—for Brampton—"would severly restrict the reforestation effort in Ontario." I certainly don't think that's what the Premier wanted.

Mr. Foulds: I think he did.

Mr. Chairman: The member for Port Arthur doesn't have the floor.

Mr. Martel: On past history, when you look at the thing I quoted from 1924 and realize now it's 1979 and we are going to get around to protecting it, maybe the Premier wanted to continue in the old way. A traditionalist to the end is Bill Davis.

Going on, this is still part two, "The amendment provides in part that the yield is to be sustained on the basis that at least two trees are planted for every one cut. This amendment restricts the method of obtaining regeneration to planting."

I wish somebody had said that in 1977, the night that the Minister of Natural Resources was in that audience that wildly applauded the Brampton charter. My friend from Algoma-Manitoulin (Mr. Lane) might have got up, knowing something about it, and contradicted the Premier as well, because obviously he was misleading us.

"We are advised that regeneration is obtained by planting, seeding and silvicultural harvesting systems. The choice of method used to obtain regeneration in any particular case depends upon many factors, such as the type of soil, the nature of the forest being harvested, the type of species to be regenerated and the objectives of management. It is reasonably clear that restricting the method of obtaining regeneration to planting would severely inhibit the reforestation effort in Ontario." I certainly wouldn't want to be accused of that, even if the Premier did. I wasn't prepared to accept that burden of responsibility and so I want to indicate that that was the second reason I was prepared to withdraw my amendment.

The third one is the best. It says, thirdly, "The amendment proposed by the member"—for Brampton—"also has implications that are simply absurd." Now I want to tell you, "simply absurd"; that being the case, I have to divorce myself from the Premier totally.

It further says, "The amendment states that the agreement shall provide that every acre of harvest is regenerated. The underlying word 'shall' means that this obligation is mandatory. However, we are advised that when a forest is harvested, about 10 to 15 per cent of its area is removed from forest production for haul roads, buildings and other permanent works." I wish somebody had told the Premier that sooner.

"The foregoing mandatory provision would require a company to regenerate the area covered by such permanent work." The Premier didn't think about that, did he? Can you imagine some trees planted on the roof of some building or in the middle of the road?

Mr. Foulds: In northern Ontario that happens, let me tell you.

Mr. Martel: Here's the final crunch. "A provision that leads to such absurdity should not, in our opinion, be legislated into law." You can see why I am prepared to divorce myself from the Premier now. That was it.

There was one hooker in there that almost caused me to change my mind and it was the fourth hooker. The fact that the industry might object was almost enough to get me to say the Premier was right. If they couldn't live with this amendment, maybe the Premier had something going for him after all. Obviously we reflected upon it; we met and we thought despite what the forest industry says the professional foresters who work for the ministry know better. Despite what the Premier says we can't go along, we have to separate ourselves from him.

I might indicate too, Mr. Chairman, there was one further reason for the withdrawal. That was the work of the minister himself. The minister, with his staff, is about to make a statement that I think is going to be pleasing to us from the point of view that it spells out very clearly what we are going to do. The proposed amendments that the minister is prepared to make are attractive to many of the people to whom I have spoken in that they will provide us with an opportunity to make the companies accountable. That accountability will be written into law. They will indicate what has been done in various reports which will be made available. It will be forthcoming in the minister's statement to us just where we can check, not aggregate figures but in fact area by area, agreement by agreement, what has been cut, what has been regenerated, how much has been successful, how much has failed. So for the first time in Ontario we will know through the reporting mechanisms what is going on; at least I hope that is the case.

I am also pleased with what the minister has had to say about how they intend to make this act work, to guarantee that in fact the companies will be held accountable, I hope the minister will explain the system, the mechanism for making them accountable.

All kidding aside, I am hopeful we are going to have a much better bill than we would have had if we had accepted the original bill presented to us.

Finally, I would ask the minister, and I have given him a copy of sustained yield, why it is indicated in the memorandum that the definition of sustained yield is the one

acceptable in Canada and in the United States? I looked up the definition in use in the United States and it is somewhat different. I have a concern about that definition, because it deals primarily with timber. Maybe under this act that has been deliberately so defined because of the name of the act, the Crown Timber Act.

I would have hoped we might have seen that sustained yield means achievement and maintenance in perpetuity of high level annual irregular periodic output of the various forest resources without impairment of the productivity of the land. Maybe the minister could explain why they chose the definition for sustained yield they did. It seems to me that yours is restricted to timber. I would hope that we are talking about more than just timber. I would ask the minister if he would comment.

With those few remarks, I would ask if the committee is prepared with unanimous consent to accept my request that the amendment I placed be withdrawn.

Mr. Chairman: Mr. Martel previously moved an amendment to section 5 of the bill. This, of course, was stacked to be voted on at a later time. He has now asked for unanimous consent to withdraw that amendment. Is there unanimous consent by the committee?

Agreed.

Are there any further comments on section 5?

Hon. Mr. Auld: Yes, Mr. Chairman. This will come as a great surprise to everybody. I have a small statement to make and a couple of amendments to move.

Just before I do that, I would like to deal with the last matter the honourable member from Sudbury East mentioned. The reason we are using the definition of sustained yield that we are is because the forest management agreement, as the honourable member said, relates strictly to the production of timber. The matters of the other products of the forest are covered, or will be covered, in the land-use plans that will cover all the areas in which there will be forest management agreements. To simplify matters, to make the agreements deal strictly with timber management, we have adopted the definition which is in the bill.

Mr. Chairman, because some time has elapsed since previous discussion of this bill, I would like to make a few remarks. I appreciate there is some justifiable concern by members because the bill does not go into detail concerning forest management agreement and the processes and requirements concerning the administration and monitoring of its implementation. As has been mentioned, the draft copy of the proposed agreement has been made available to any who are interested. It provides the terms and conditions which would be entered into.

There is, however, an aspect of the agreement and its implementation which is relevant to the broader picture of forest management in Ontario. The areas which would come under agreement are part of the crown forest lands covered by the forest production policy of my ministry.

I might remind the House that this policy, adopted in 1972, has a target of producing 9.1 million cunits annually by the year 2020. Of this total, 7.1 million cunits can be expected to come from crown land. When compared to the 3.9 million cunits produced from crown land in the fiscal year of 1971-72, the time of initiation of the policy, the increase will be 82 per cent. The present annual cut from crown lands is 5.6 million cunits.

We are therefore involved in bringing about some very significant increases in productivity which must depend upon increased efforts by all concerned. I emphasized previously that the performance required by a company in respect of harvesting, regeneration and tending treatments will be set out in the ground rules of each agreement. Not only are the treatments prescribed, but so are related standards by which their success or failure is to be judged. It will be appreciated that these treatments must relate to the particular forest conditions of a company area.

For instance, treatment for black spruce forest on peat soils will differ from that for jack pine on sands. Our prime concern is that forest lands are regenerated and kept productive. On an annual basis, therefore, the treatments will be known and monitored yearly, because they must conform to the conditions of the agreement before payment of the invoices.

My ministry has developed a certification procedure for these treatments, we shall therefore have an annual documentation of what has been performed. This certification will be done by registered professional foresters from both the company and the ministry staff. In itself, the carrying out of a regeneration treatment, even though done to the best possible prescription, does not ensure that productivity is maintained. Whether the regeneration is from seeds or from planted trees, there is a period required for establishment.

We have determined that within five years from the time of regeneration treatment, the

new forest shall be assessed to see whether it conforms to the specified standards and is acceptable. This does not mean after every regeneration treatment we just walk away and forget about it until the fifth year. There will be intermediate assessments. If the trees in the planted area were all to die in the second year after planting, for instance, it would be considered a failure and a retreatment would be called for immediately. Generally speaking, however, it is not until the fifth year that a final decision can be made as to the success or failure of an area.

Every fifth year, the sum of the effects of management practices relating to forest productivity, the harvesting or depletion, and the successful regeneration and new growth or additions to the forest during the past five years, are assessed. From these assessments the allowable cut for the next five years will be determined. This is the essence of what is meant by sustained yield. The actions or treatments for regeneration during each five year period and their success have an immediate and measurable effect on a company's allowable cut.

At the end of each five-year period, the performance of the company shall be reviewed and if its obligations have been satisfactorily performed the agreement will be extended a further five years; that is a company will have a 20-year agreement as it did when the agreement was initiated. This is why it has been termed an evergreen agreement.

[8:30]

However, if the obligations are not satisfactorily performed, the agreement will not be extended. The company will only have a 15-year period remaining, but will have to perform the obligations which were in default before the agreement can be extended, otherwise the agreement may be terminated.

A company's performance will therefore affect both its allowable cuts and its tenure or term of agreement.

Needless to say, the monitoring and information system required to ensure we are up to date on treatments and their results must be modern and efficient. That is why my ministry is actively developing such a system to be in place for these agreement areas as well as our own crown units. I believe the requirements we have already formulated for the silvicultural treatments of harvesting, regeneration and tending, and the reporting of these results in relation to the productivity of the area, are important enough that they should be reflected in the legislation.

Consequently, Mr. Chairman, I will move an amendment to subsection 1 of section 5a of the act, as set out in section 5 of the bill, that will provide some legislative assurances in respect to some of the foregoing matters.

In particular, the amendment will provide that the forest management agreements must set out the silvicultural specifications that are to be observed and performed in respect of harvesting, regeneration and tending of the forest areas to which the agreements apply. In addition, the agreements will set out the standards of regeneration to be achieved. These provisions will provide the necessary yardsticks to assess the success of treatments that are performed to improve forest productivity.

In keeping with these assurances, I will also move an amendment to section 5a of the act, as set out in section 5 of the bill, that is aimed at keeping the House better informed on the progress being made under the agreements in regard to management of the forests.

In this respect, two reports will be tabled before the House. The first will report on the areas harvested, regenerated and tended under the agreements in each year of the period of the agreements by working group areas for each agreement. This will enable a comparison to be made between the mandatory silvicultural treatments specified in the agreements and the accomplishments achieved in these respects for the year in question.

The second report will report on the relationships between the harvest and growth, including successes and failures of regeneration of timber during each five-year term of the forest management agreements.

Members will appreciate that this relationship is the essence of forest management on a sustained yield basis, an objective that all members have indicated they support.

Finally, I will move an amendment to section 5a of the act, as set out in section 5 of the bill, that will require the tabling before the House of each forest management agreement and each amendment thereto. This disclosure of information and the statutory assurances in respect of the content of forest management agreements aimed at regeneration and productivity will keep the members of the House and their constituents informed in respect of this new approach to forest management in Ontario.

I understand there are two further amendments to come from the member for Beaches-Woodbine (Ms. Bryden), which she asked me to comment on at this time.

Mr. Chairman: It might be better if you waited and replied when the amendments were put.

According to my notes, when we were last sitting and discussing this bill there was an amendment placed by Mr. Foulds, adding a subsection to section 5. The chair had not placed the amendment. I wonder what the honourable member wanted done with this particular amendment.

Mr. Foulds: Mr. Chairman, in view of the information I have about the amendments the minister will be placing at this time, I would withdraw the amendment I put, but I would make two points in doing so. One is that the minister's amendment, to give him credit because he has better legal advice than I do, is actually somewhat better because he added the term, "not only to lay a copy of the agreement but any amendments to the agreement." I think it would be neater, legislatively, if I withdrew this on the condition that it's referred to in history from now on as the "Foulds-Auld" amendment, just as the amendment that has been withdrawn previously will go down in history as the "Davis-Martel" amendment.

Mr. Chairman: I take it, then, the member is withdrawing his amendment? I will now place the minister's amendments.

Hon. Mr. Auld moves that subsection 1 of section 5a of the act, as set out in section 5 of the bill, be struck out and the following substituted therefor:

"(1) Subject to the approval of the Lieutenant Governor in Council, the minister may enter into an agreement with any person for the management of crown timber on a sustained yield basis and for carrying out all operations necessary for such management and, without restricting the generality of the foregoing every such agreement shall set out,

(a) the silvicultural specifications that are to be observed and performed in respect to the harvesting, regeneration and tending of the forest areas that are subject to the agreement, and;

(b) the standards of regeneration to be achieved on the forest areas that are subject to the agreement and may provide for;

(c) the cutting of crown timber and the prices therefor;

(d) the cutting of killed or damaged crown timber and other crown timber that, in any other crown timber that, in the ministry's opinion should in the interests of economic forest utilization, be cut with such killed or damaged crown timber subject to such prices, if any, and to such terms and conditions as the minister and such persons may agree upon;

(e) the construction, reconstruction and maintenance of any road necessary to such management and operations;

(f) a reduction of the stumpage charges to be paid by such person for any increase in the volume of crown timber that was cut and is the direct of any silvicultural treatment applied at the expense of such person; the preparation of plans, rules and reports of any other documents to such management and operations; and

(h) such other terms and conditions as the minister and such person may agree upon that are not inconsistent with the regulations and, except in the case of a provision made under clause (b) or (f), any such agreement should be subject to the terms and conditions prescribed in the regulations.

Mr. T. P. Reid: Mr. Chairman, after long hours of negotiations between the three parties on this, I don't really have any problem with accepting the amendment as laid out by the minister, except that I wonder why it hadn't been brought forward in similar form to begin with.

However, I do have a problem relating to the comment that he made in introducing these amendments. I'm not sure whether my remarks come exactly under the amendment as put, but I want to make them, and the minister can take cognizance of them now because I don't believe they come up under the other two amendments.

In his remarks before he put the amendment to section 5, he spoke about the actions or treatments to ensure regeneration and growth during each five-year period and their success having an immediate and measureable effect on a company's allowable cut. I am not going to regurgitate and reiterate the argument we made the last time we debated the bill about the mere fact that if somebody does not live up to his regeneration agreement with the minister the minister, in his wisdom, whoever he or she may be, is going to say to company A, "You didn't live up to your agreement. You had five years and you didn't do enough silviculture, you didn't do enough regeneration, you didn't do enough aerial seeding and you didn't do enough tree planting; therefore we are going to cut down on your allowable cut."

The immediate effect of that is on the people in the immediate area; the employees of that plant are the ones most directly affected. The company is going to say, "All right, the Minister of Natural Resources has said we didn't live up to our agreement, therefore we can't produce X tons of pulp

and paper or kraft or whatever it happens to be, and therefore you are all laid off."

My friends to the left and myself, as well as the minister's own members, would be the first ones breathing down his back or breathing down his neck saying, "Why are you doing away with their allowable cut? All you have done is created massive unemployment by doing this."

I say to the minister again, and I won't go through it all again, this does not solve the problem of them not living up to an agreement. He has to hit them in their pocketbooks, where it really hurts.

The second part of that equation makes no sense at all, and I say this with respect, perhaps, to the lawyer who drew this amendment up. It makes no sense, I would think, to anybody engaged in the forest industry. I find it hard to believe that the minister's advisers, some of whom are sitting in front of him, would agree to that, unless all the educational process I have been through in 12 years of talking about forests and trees is worth naught. He has told us, and I think my friends the members for Port Arthur (Mr. Foulds), and Sudbury East (Mr. Martel) would agree, that the allowable cut is based on the mature timber in the forest. One cuts out those trees that have reached a certain age, at which if they aren't cut they are going to die anyway. They should be cut, because like some of us in this chamber they are going to pass away.

Now is the minister saying that if they don't do the regeneration properly the government will cut back on their allowable cut so those trees that should be cut won't be cut? Is that the gist of what he is saying? That is certainly the way I read it. If one doesn't do one's regeneration, if they aren't good boys, if they don't live up to the contract, first of all the people who are going to suffer are the employees in the communities where these pulp and paper mills and timber companies are located.

Secondly, he is going to create a situation in which those trees, that supposedly are mature and should be cut, in the wisdom of the ministry and the wisdom of the timber management branch of the companies we are dealing with will not be cut because the company has not lived up to its agreement.

Mr. Chairman, I am not going to go on as long about this as I did before, but I would ask the minister to either reconsider or give us a couple of good reasons, tonight, why we should accept this amendment as is and why we should accept his word on the basis of the regeneration agreement not being lived up to. Why would he not use some punitive measures that are not going to affect the employees of the company, are not going to hurt the forest as such in terms of not using the mature stands that are there; but which would really put the onus and the punitive burden on the companies through some kind of monetary action if they don't live up to these agreements. That would get their attention a lot faster.

[8:45]

Hon. Mr. Auld: I think the honourable member is forgetting what I mentioned previously, as I recall. First of all, the allowable cut is not measured primarily or only on mature timber, it is really calculated on all age classes of timber. The important thing to remember is that any decrease of the allowable cut in five years is going to be relatively small when you look at it in that light. The really effective part of this, in our opinion, is the board of directors of that company now finds that instead of a 20-year evergreen agreement they only have 15 years.

They still have the same investment in their operation. If I were an investor I would be wondering what sort of management there was in this company. I think there can be a very real or apprehended penalty on the part of the company and its board when it sees they still have this large mill, or whatever operation it is, but instead of a 20-year agreement they now only have a 15-year agreement, and if they don't sharpen up it is going to be a shorter one.

Mr. T. P. Reid: We have been through this debate before. We all know the history of regeneration in Ontario, particularly in the last 36 years. We know you haven't come down heavily on any company involved in the pulp and paper or the timber industry. We really don't expect you are going to do so now. They don't expect you are going to, so I really say to you again that when you say it is going to affect their allowable cut or their 20-year agreement, as it is they have been getting along on five-year agreements and it hasn't hurt them.

There is a psychological impact. I can understand the investor's concern when they only have a five-year contract, but you don't really mean to tell me you expect Great Lakes, for instance, to put $200 million in Dryden without some kind of guarantees, either out on the table or in the boardroom somewhere between yourself and them, or the Treasurer (Mr. F. S. Miller), or the Minister of Northern Affairs (Mr. Bernier) or whoever. You don't really mean to tell me you are going to say to them, "If you don't

live up to a regeneration agreement, Charlie, we will cut you back to 15 years. If you don't do that, we will cut you to 10; and by the way we want you to invest $400 million in Reed Paper in Dryden."

I know I still have a little bit of naivety and that sort of thing, but I don't think you really expect anybody here who has been involved with these things to really believe or agree with that argument, and nobody does.

Let us say Great Lakes doesn't live up to their agreement. In 15 years you come along and say: "That's it. You don't have an agreement any more. You have got to sell your $400 million investment to somebody." What if nobody comes along who wants to buy it?

It doesn't make any sense. We are not dealing in reality. We might be dealing with some nice theoretical situation somebody has dreamed up somewhere, but we are not dealing with the political realities or the economic realities, or certainly the historical realities of what has happened in the resource business, particularly in the forest business in the province.

I can tell I am not going to win this point with the minister. Perhaps I should put an amendment and hope my friends will support me. I really don't think what you are proposing in this amendment, and what you have said in your remarks to it, is going to affect anything a tinker's dam in really forcing these companies to live up to these kinds of agreements.

I can tell you, I will bet even money right now, that in five years we are going to have at least half a dozen timber companies which have not lived up to their agreements for one reason or another. The minister of the day is going to wring his hands and say, "Isn't that terrible. My God we have talked strongly to them, but do you people over there really expect us to put men out of work because they didn't live up to their regeneration agreements?"

He is going to say to the member for Sudbury East, for example, "Do you really want us to cut back on their timber limits so they have to cut down on production and 200 of your constituents will be out of work? Do you really want us to do that?"

We will then be in that same position as the people on that side of the House who have 36 years of experience—and they do it very well—of making all the mistakes and blaming it on the opposition. I just say one more time: "It isn't going to work; it isn't going to fly, Wilbur."

I think the government should change this aspect of it. There should be some monetary penalties in this whole thing, because what the government is trying to do by way of penalizing the company is only going to penalize individuals who work there and the communities they support; and it is going to have very negligible effects on the companies themselves.

Hon. Mr. Auld: I think I pointed out previously that this is really a new ball game. I don't disagree with the honourable member. In the past, and currently, timber licenses are on a 21-year period subject to renewal for another 20 years. Up to the present time if somebody was not performing it involved the crown itself as the responsible agency. We discussed that earlier. There is a great change in this approach.

I would agree that nobody is going to walk into any company at the end of the 21st year and say, "Well fellows, you haven't done anything, you are out of business tomorrow."

Mr. T. P. Reid: Even in 10 years it's not going to make any difference.

Hon. Mr. Auld: That's right. The pressures that will be exerted on every member in this House from the public and everybody else might not be as great in Cornwall where there are other industries as well as Domtar, as they certainly would be in those communities in other parts of the province where pulp and paper or whatever kind of timber industry involved is the economic base of the whole area.

I believe with the combination of things we are doing in these amendments to foster regeneration we will have a much better lever. We will not be going into court trying to collect damages and trying to prove what those damages are because of a shortfall in regeneration in four or five years.

I think pressure is exerted on the company in the area by those people in the area. Pressure on the boardroom of that company will be really quite significant. In the event it turns out we are wrong, then this Legislature meets frequently and there may well have to be some further amendments, but I think it's worth a try. Of course there is no argument, the companies will all enter into an agreement.

Mr. Foulds: I have a couple of comments I would like to make. I am not quite as cynical as my friend the member for Rainy River in saying that these agreements won't work, although he has been in this Legislature four years longer than I have, and four years from now I may be as cynical as he is with regard to these agreements.

Mr. T. P. Reid: Wait four more years.

Mr. Foulds: Exactly, I can understand that. I prefer to think of myself as a happy and hopeful pessimist, but I share some of the concerns, because as I said at some point in the previous debate we are in danger of putting all our eggs in one basket and seeing this as the nirvana of the forest management process. I am not sure, even with the amendments the minister has presented, which admittedly strengthened the bill considerably, we are going to reach that. I hope you received my note and that one of your people is considering the question.

Hon. Mr. Auld: You didn't sign it so I didn't respond to it.

Mr. Foulds: Sorry; I was the one who sent you the note asking how you felt about adding the words "in perpetuity" in your definition of sustained yield on page three.

Hon. Mr. Auld: Normally I don't respond to anonymous letters but in this case I will.

Mr. Foulds: I'll sign it. It would be after the word "balance" in line three of the new section 5(a), subsection 2 of the act, and before the word "between"; so that at least we have the idea in legislation that sustained yield carries on forever, in an evergreen way just as the agreements will be evergreen agreements, in fact permanent agreements if the conditions are met by both parties.

I don't think that interferes with what you are trying to achieve and the flexibility you want in the legislation. I would like you to consider that seriously, because I have some worries about the continuity of funding. As I read through the draft agreements between the minister and whatever companies will sign them, I was reminded of something I had forgotten. The agreements do not have to be lived up to either by the crown or by the companies involved if—and I am looking for the—well I will just read the two sections that concern me. Section 27(a) in the draft agreement says: "Where an assessment that has been made under subparagraph one indicates that the said parts not stocked in accordance with the ground rules, except where such parts have not been treated with the treatment by the company in virtue of the lack of an appropriation by the Legislature of Ontario, the company at its expense agrees to then reforest such lands in accordance with the ground rules." Over on section 32(1): "The obligations of the minister to pay moneys under this agreement are each subject to the condition precedent that moneys are appropriated therefor by the Legislature of the province of Ontario . . ."

Now I can accept, with faith, hope and charity, that those things are going to happen, but in fact in treating the crown forests since 1962 we haven't appropriated enough money in the Legislature for the government to carry out the reforestation. We in the opposition, even though we are the majority today, cannot increase that appropriation, and that gives me some concern, because it's the continuity of funding that I think will be important for the continuation of silviculture in the future, in perpetuity.

I understand, for example, that Manitoba has established a trust fund; I think it's $9 a cord they charge for all woods cut. The fees go into a trust fund for silvicultural purposes. I know it has not been the practice of this government to designate funding. It has always put those returns into general consolidated revenue and I have some sympathy for that, however I really do think we have to seek in legislative form some way of saying there should be a balance between growth of timber and timber cut in perpetuity, so that we genuinely do have sustained yield.

[9:00]

There are a couple of other points not related to that which I would like to make. I think they have been met by the minister's statement. One is it is clear now the annual statement will be for each individual agreement, although we will get them compiled so we have both a summary and an evaluation of the success or failure. I think it was important for the minister to underline that would be for each agreement.

I have a suggestion I would like to make, although I am not going to make it as an amendment at this point I think it should be considered seriously. The five-year audit the minister mentioned, the five-year review, should be done by an independent group. It should not be done merely by a company forester and a ministry forester, but perhaps by bringing in a professional forester from outside of the province and one from the academic community. That way, that audit which is tabled on a five-year basis will be seen to have the stamp of approval of professional foresters other than those who frankly, have a vested interest here in Ontario.

I know when we discussed this with the minister's officials I actually wanted to introduce an amendment in legislation which would indicate that the agreement—actually, I'll wait until we get to the next amendment before I go into this one.

Hon. Mr. Auld: Mr. Chairman my advice, through my legal adviser who is sitting in

front of me, is that in perpetuity is redundant, because the definition of continuous or sustained yield in the current jargon really says it all.

Secondly, and it seems to me the Treasurer mentioned this in the House not too long ago in connection with something else, one government cannot bind the succeeding government. Anything the Legislature can do in a statute it can undo in a subsequent statute. The point about guaranteeing a sum of money in perpetuity for reforestation just could not happen.

Mr. Foulds: I understand that. That's why I wanted the legislative format for the sustained yield.

Hon. Mr. Auld: Anything the Legislature can do the Legislature can undo. You can produce a format for a sinking fund and a subsequent government can come and amend or repeal that act.

Mr. Martel: We are trying to guarantee some money to work with so the chairman of management—

Hon. Mr. Auld: Some Chairmen of Management Board of Cabinet have been very generous. Some, I know, wish they knew which ministry they were going to be in after they were in the management board post.

In connection with the five-year audit, frankly I would think that is not going to be done as an arbitration board exercise. Our foresters and the company foresters will look at the results and the report will come to the ministry. The ministry will then say to the company it is doing a great job or it is not doing a great job. I would say I would prefer it this way, rather than in effect conceivably having a two-to-one split on some factor affecting the performance.

Mr. Deputy Chairman: Did the member for Port Arthur want to finish a point? If it was a different point, the member for Nipissing.

Mr. Bolan: Thank you, Mr. Chairman. I would like to raise several points with respect to this amendment, in the nature of comments and questions I will ask of the ministry.

The longer we seem to struggle with this bill the more apparent the deficiencies of the reforestation program which this province has undertaken, or failed to undertake, over the past number of years become. I think it's an axiom which is accepted by many in the forest industry today that 15 years from now Ontario won't have any trees.

If you were to walk out on the street and say that to somebody, or if you were to address a bunch of school children and tell them that the province of Ontario is running out of trees, they'd cart you away in a straitjacket until they started looking at some of the facts, and at some of the people who are very much involved in this. It becomes very apparent that given the mess we're in right now we are running out of trees.

In 1973, after finally realizing that the ad hoc policy this government had was simply not getting anyplace as far as reforestation was concerned, the government introduced what is called the forest production policy. It sought to intensify forest management and sustain the forest industry with an annual cut of 9.1 million cunits of industrial roundwood by the year 2020.

Since then we have been deluged with a number of statistics on the amount of regeneration which has taken place in Ontario. For example, it was said that in 1977 173,000 acres were treated for regeneration; in 1978 the government had planned to treat 185,000 acres; in 1979 the government treated 193,000 acres.

But these statistics, Mr. Chairman, are really meaningless; they mean absolutely nothing unless the survival rate of trees is reported to us as well. What I would like to know, as I'm sure many of us would like to know, is how many of the acres being regenerated are judged to be successfully regenerated? Just as important, if not more important, how many of these acres are judged to have regenerated forests? How many of the acres which were treated by the ministry, let's say in the year 1979, have been treated a second or even a third time because they may not have judged to have been satisfactorily regenerated after their original treatment?

In other words, the ministry's treatment acreage may be going up but how much of it is repetitious? It's fine for the minister to say the program is treating more today than was treated two or three years ago or five or 10 years ago or whatever the case may be, but how much repetition is there in the acres which are being treated?

We could not find this in any published statistics. All the statistics the ministry puts out respecting regeneration do not include an assessment of the rate of failure. By finding out the rate of failure we can get to know that much more about regeneration.

I think it should be mandatory that the government include in its reports dealing with reforestation a separate category listing the percentage level of failure for every acre planted. This will increase the level of

knowledge for the general public but will also aid in the plans for reforestation of cutover lands. I cannot stress too strongly that knowledge of the survival rate is vital to the regeneration program.

In an article by Professor Hearnden called Regeneration in Ontario, Professor Hearnden reported that in the cutover area many trees were planted without any form of site preparation, and I will have more to say about that later. They either died from moisture stress shortly after planting or were later suppressed by competing vegetation.

Hearden also suggests that a part of the high failure rate was due to the fact that a very large program exhausted Ministry of Natural Resources manpower and supervisory capability, resulting in poor handling and planting practices.

He then goes on to state that nursery and field cold storage units are being installed at all major production and planting centres to reduce handling and storage problems. What I would like to know is, how can this end the overextended aspects of the planting program that resulted in the exhaustion of MNR personnel capability?

This information does not come from the government report but rather from an article in the magazine called Pulp and Paper Canada. Yet Hearnden is a ministry official and the Ministry of Natural Resources simply must be aware that this information exists. If it does, why is it not published by the ministry and why is the ministry consistently only reporting information which it feels is favourable to the government?

This type of information should be available to the public. There are many things which came out of the first conference on regeneration. I was sad to see that some of the constructive ones which did come out have not been adopted, or for that matter even considered by the government.

One of the speakers who took part in this conference was Professor Hearnden from one of the northern universities. He stated there were two major aspects that must be overcome before regeneration in Ontario forests will be successful. If the minister thinks that flogging this bill before us as the end-all and cure-all of the reforestation problems this province has, he certainly has another think coming. Believe me, it's only the beginning.

Professor Hearnden identified the two broad groups of problems as institutional and natural. Those are the two types of problems which he identified and said must be overcome if the regeneration programs in Ontario are to be successful.

Under the natural group, he believes there is a great difference between soils and site conditions which produce different forest growth rates, yields, rotation ages and species suitability. The result is that there is a great need to develop a number of different silvicultural activities that can be applied on a relatively small scale. Until these diversified conditions are recognized, any reforestation program based on simple large area clear-cut and plant routines will continue to have large failure rates.

[9:15]

A second major natural obstacle to silviculture following logging, according to Hearnden, is the "incredible volume of residual wood in cutover areas."

The residual wood includes the stands of species not wanted or tree lengths or portions left in the extraction process.

A study conducted by someone involved in it has found that full utilization of stands in typical operating areas would increase the yield by 23 to 72 per cent.

The second group of problems is probably the most crucial for the regeneration problem and this falls under the category of the institutional problems. The institutional deterrents are the provincial government and the forest industry itself.

As far as the provincial government is concerned, I think it's quite clear that over the years the government has lacked a comprehensive forest policy, together with no statutory commitments to the principle of the sustained yield.

The bill, and the amendment to the bill which is being presented by the government tonight, will go some way in solving the statutory commitment but it by no means is even starting to bring us to where we really should be had we followed good reforestation programs over the years.

One of the other problems is that crown management units overlap regions and districts. Additional company management units and Forest Resources Inventory based map units are all directed towards the protection, the sale and the disposal of land, timber and natural resources rather than towards sustained-yield management.

Another problem is that almost all administrative regions are totally unrelated to any natural or geographic aspect of the land upon which the regions have been superimposed.

The government has also allowed a system of tenure which has enabled a few large companies to control major portions of crown land, which has created for all intents and

purposes a monoply situation. The effect of this has been to create a major psychological deterrent, because the sheer signs of licences held provided the feeling that an unlimited amount of timber exists.

Also, the unit forester-manager should be a key person in forest regeneration. However, it's been found that few of the foresters today reveal any continuity of management experience.

There is also a total lack of accountability in the forest-management program. It's impossible to identify the person responsible either for designing or implementing programs. In fact, as Professor Hearnden mentioned, the faceless committees appear to be the protective means of ensuring that no one can be expected to perform effectively.

The second group generating institutional problems is the forest industry itself. There are three main points I would like to bring out on this.

First is the lack of commitment. Industries hold a short-term perspective. That short-term view translates into a cut-out and get-out mentality; go in, get the timber cut and get it out. Again, this approach has been created by the views of the industry in this regard.

There is another interesting report by Professor Ken Armson called Forest Management in Ontario. He devotes a fair amount of space to the discussion of the need for a single system of documentation for regeneration and its assessment.

He reports this is absolutely necessary for management decision-making. A regeneration assessment is a form of inventory so that we know what we have. In itself it is not a productive exercise, but the information it yields should be in so far as it improves management decision-making. In the same report Armson recommended that an assessment of planting stock be made within one or two years of planting.

I realize the bill does have something to do with that. Armson suggests also that standards be developed to determine the survival rate of the seedlings. Then he sets out certain percentages which should be considered with respect to the type of survival one would expect.

There is another very important question which is raised in this report. It is the question of pre-cut and post-cut surveys. Should these not be undertaken for all cuts? Before you go in with a cut and level, is it not wise, if we are going to make sound decisions with respect to regenerations and the treatments of those areas which are cut, that we have a pre-cut survey?

Our decisions as to the type of cutting and subsequent regeneration treatments have been made without appropriate prior knowledge. The cost of such pre-cut or post-cut surveys would more often be offset by the far more costly failures which can occur in regeneration because of the improper judgements which are based upon sparse or faulty knowledge.

Mr. Deputy Chairman: I wonder if the member is going to proceed much longer? As you know we are dealing with an amendment here. This sounds more like a speech that might be given on second reading of the bill. I know the bill has been altered considerably and it may be a good speech, but I am trying to relate it particularly to the amendment we have before us.

Mr. Bolan: I am relating to the amendment, Mr. Chairman. I am speaking of regeneration, I am speaking of silviculture, I am speaking precisely of amendments which the government is bringing in now, amendments which should have been brought under a bill about 30 years ago. I feel very strongly that the remarks I am making now are all directed at the amendment. I can assure you, Mr. Chairman, if the amendment had not been brought in by the member for Sudbury East, followed by the amendments which the minister has now brought forward in substitution for that, I wouldn't even be talking about this. The whole question would have been handled by two-for-one. However the door has been opened again, and as far as I am concerned we can take another kick at the cat. That is precisely what I intend doing, subject of course to the ruling of the chair.

Mr. Deputy Chairman: I am not going to argue too much with the member—the member is not going to sit down now, is he? I didn't mean him to be that brief, but I would appreciate it if he might just limit his remarks to the section which he says he is covering.

Mr. Bolan: Thank you, Mr. Chairman, for allowing my appeal. If we are going to get into this question of sustained yield and the question of regeneration and reforestation, I think it is only fair to examine other jurisdictions. What we might try to do, even as we are debating this amendment right now, is to consider some of the good features which other jurisdictions have. I get the impression it is something which this ministry hasn't really got into to any great extent. It could very well be that Ontario should incorporate into its forestry policy some of the best ideas from other provinces.

For example, in British Columbia 95 per cent of the productive forest land is held by the crown. It is managed for sustained yield. Most of the areas are managed either as tree farm licences or as public sustained yield units.

The tree-farm licences are areas in which the annual cut has been reserved exclusively for the holder, usually for renewable periods of 21 years. In exchange, the licensee must operate in accordance with a working plan to treat forest lands that must be approved by the forest service.

These forestry treatments can be recovered as an offset against stumpage, providing stumpage rates don't go below their predetermined minimum. Then there is the public sustained-yield unit, which is another method of management.

Alberta has a very comprehensive forest regeneration program managed in accordance with the principle of sustained yield. All harvesting in Alberta requires forest-service approval, and the companies must fulfil certain guidelines.

For example, it requires that no more than one-half of the forested area in a watershed can be cut at a time. The area reserved from the first cut cannot be harvested until regeneration of the first cut has grown to at least 1.8 meters. All forest management agreement holders are required to reforest their cutover lands, and quota holders may elect to pay a fee and have the forest service do the regenerating.

All site preparation must occur within one year of logging. By preparing the seed bed the chances of a fire hazard on harvested areas are reduced. All regenerated land must be surveyed for success every seventh year after logging. Private companies may receive preplanting stock if they first supply the necessary seed. These are some of the methods used in that province.

Saskatchewan also has a very aggressive reforestation program, as has Quebec. I think one of the most interesting programs is that of Sweden, where forest owners are required to ensure that forests are regenerated after clear cutting by harvesting in a manner which will encourage some natural regeneration and by artificial seeding or planting.

About 60 per cent of the land is artificially regenerated, mainly by planting. Seeding is used only to a limited degree. It is anticipated that in Sweden 75 per cent of the cutover land will be planted by 1990 rather than the current 60 per cent.

One aspect of forest treatment that occurs in Sweden, which either does not occur in Ontario or certainly is not emphasized, is drainage ditching. Between 1971 and 1974 an average of 4,000 kilometres of forest-drainage ditches were dug each year. In addition, $1.5 million is spent each year on the maintenance of existing ditches. I think this might be an interesting point, because the forests in Sweden are mainly coniferous—37 per cent scotch pine and 46 per cent Norway spruce, with some white birch.

In Ontario the black spruce requires damp soil to grow in. When large areas of trees are harvested the watertable is drastically upset because the trees are no longer there to draw the water up from the soil. When the trees are harvested by machine—another area which is causing very grave concern in the reforestation programs—those machines leave large ruts which fill with water, which means spruce are unable to regenerate. Perhaps drainage ditches in areas with large concentrations of black spruce would go a long way in alleviating the problem.

[9:30]

Another very interesting thing in Sweden is that commercial thinnings are a major portion of the forestry industry activity, especially as a source of pulpwood. Between 1956 and 1961 alone, 58 per cent of the harvested material came from thinnings and only 42 per cent from the final crop itself. That is a healthy percentage. Perhaps Ontario's pulp manufacturers should take note of this.

I want to deal with one more country by way of comparison, and that is Finland. In Finland there is a private forest act which regulates forest practices on private land. Incidentally, private land in Finland amounts to about 65 per cent of the productive area.

In practice it means that a regeneration plan must be prepared and approved before harvesting commences. Before they even start to cut there has to be a plan in place for all to see. Usually the plan provides that sufficient funds will be set aside from the sale of the timber to regenerate the site. As a result of this accepted practice, reforestation is a part of the harvesting cost. The farmers, that is the landowners, must deposit money in a regeneration trust fund before undertaking a clear cut; this is only refunded when a new crop has been successfully established.

I point out these programs in other parts of the world, and also in other parts of this country, because we are obviously not getting anywhere, in spite of the many efforts we have made at reforestation.

One of the big problems is the question of planting, the planting operation itself. The

number of trees planted in 1972 was something like 76 million. In 1977 that number was 45 million. I realize there are other regeneration treatments to supplement tree planting, but perhaps the minister could answer why there has been such a drastic cutback.

The Ministry of Natural Resources, as the minister knows, maintains seed collection areas, seed production areas and seed orchards. However, only 10 per cent of the seeds used in Ontario come from these areas. The origin of the other 90 per cent is identified only on the basis of broad, general regions. This can be one reason for the high failure rate of seedings. Soil types are different all over the province and often will not support seeds gathered from other regions. It is important to plant seeds from the same area, a fact that is recognized by other provinces.

For example, in British Columbia seeds are normally returned to the area in which the seed was collected. In Alberta the use of seeds is restricted to a radius of 80 kilometers and an elevation difference of 150 metres from the original source. In Manitoba there are designated seed zones from which young stock is grown for planting back in its respective zones; and seed is obtained from best natural stands, some of which are already reserved exclusively for this purpose. New Brunswick has encouraged the establishment of cone selection programs, seed regeneration and the reservation of seed production areas.

What I would like to know is what plans this government has when it talks about the money from DREE that will be allocated to nurseries? What plans does it have for that money?

On the minister's own admission, Mr. Chairman, the black spruce tree has not put out good seed crops for 11 years. Generally, black spruce generation from seed is rather difficult, but it's easy through the vegative propogation. Where logging is done manually, natural regeneration of black spruce is easily established prior to the cutting by deciding to do a commercial clear-cut. Where the trees are harvested mechanically, natural regeneration is difficult because a thick layer of moss forms a seed bed and damages the seed bed for both natural regeneration and artificial seeding and planting. One solution to this is strip clear-cutting, followed by soil scarifying.

As you know, Mr. Minister, jackpine seldom regenerates satisfactorily after cutting. The seed beds usually must be prepared by scarifying. The control-burn is a successful and inexpensive way to promote natural regeneration.

Clear-cutting in blocks or strips can be used in old jackpine stands for regeneration. When you are doing this strip-cutting or clear-cutting, you might want to look again at the way they do it in Sweden where they checkerboard it. This has a secondary effect, which I think your wildlife people will tell you about. It's not only secondary to what we are talking about tonight but also of vital importance. This experiment was carried out in Sweden and the moose herds jumped tremendously as a result of this checkerboard pattern type of cutting.

So it was also a benefit and break for the moose as well as practicing good and sound regeneration programs.

Mr. G. I. Miller: You're giving a lesson to the minister tonight.

Mr. Bolan: Many of these solutions are set out in various reports; they were covered in the second conference on regeneration of 1979 and the timber revenue task force of October 1975. Several suggestions were made by Professor Hearndon at the Black Spruce symposium in September 1975. I think one of the biggest areas where we are failing is in the question of research. I think research in this area is crucial. How can we develop plants that will grow faster in specific regions, and how can we develop machines that are designed solely to accomodate the Canadian northern climate and soils as well as determine and develop the most effective methods of harvesting and regenerating naturally areas best suited to what trees if we don't have research. This is an area which should be stressed and it's an area where the ministry should be very much concerned.

Another point I would like to mention again is on reforestation and concerns seed collection and dispersement. This can be tied in with research, but it is important for its own sake. Ontario collects seeds then disperses them. The ministry will proudly state that it has dispersed several hundreds of thousands of bushels of seeds; but it's useless. It's useless because seeds will not just grow anywhere. They require specific soil conditions.

I would urge the ministry to consider some kind of a system which is similar to that of Alberta, where seeds are moved no further than 80 kilometers from where they were originally collected.

There is no question we could go on and on about this. I have 10 more pages which I would proudly read, however I have to re-

spect those others who would like to speak on the matter tonight.

I want to leave you with these final words. What once was to be an heritage of bountiful trees and unlimited resources in the forest industry, is left as a legacy of a few scrubby, burned-out bushes. That, to me, is synonymous with 36 years of the type of rule which this province has received. I think the condition of your government is as bad as the reforestation program of this province. The bill is going to help things somewhat, but believe me it is not a panacea for the lumber industry and for the pulp and paper industry. We would hope to see more measures brought forward to alleviate the problem.

Mr. Foulds: Mr. Chairman, I have two specific comments on the actual amendments before us. I might add I have consulted with both Professor Hearnden and Professor Armson about the amendment before us.

One point about which I wanted to get some clarification is that in this specific amendment before us, I noticed clauses (b) and (f) are exempted from the prescription and regulation of the amendment. To some extent, I can understand the necessity of that with (b). I am not sure I understand it in relationship to (f), because (f) relates to the reduction of stumpage fees. I can understand you might want some flexibility in terms of a formula there. I would make a very strong plea in that you can argue back they should be prescribed in regulation because of the rigidity that might give you, but both those, particularly clause (f), should be public knowledge.

Mr. Chairman: Order. There are a number of private conversations which are very distracting. The member for Port Arthur.

Mr. Foulds: Thank you, Mr. Chairman. I think it is really important that if there is a reduction in stumpage fees as a result of the conditions outlined in clause (f), that should be public knowledge tabled in the Legislature so we can get an idea of whether the cost benefit is worthwhile.

I have one other point. I want to make it very quickly, simply because it had been my hope, if not the hope of others, that this bill be completed tonight. Why is it necessary, and forgive me if this is one of my hobby horses, to use the word "may" for the last set of clauses, that is clauses (c) to (h)? Why can't it be "shall"?

Finally, Mr. Chairman, I wonder if the minister could address himself briefly to the question we discussed privately. That is the question of agreements. I would like him to address himself publicly to the question of the kinds of agreements we are now discussing in the bill. It is my understanding the ministry eventually hopes to get the 10 major pulp and paper companies into these kind of evergreen agreements. The concern I'd like the minister to address is why we cannot make them mandatory over a series of years, phasing them in. If that is not possible, what are we going to do in the interim to cover those areas that are not covered by these agreements, and therefore we have no assurance there will be regeneration. In short what are we going to do to catch up with the 20 per cent or more that will never be under the terms of these agreements?

[9:45]

Hon. Mr. Auld: I wonder if there are any other comments on this section.

Mr. Chairman, the member for Nipissing has left, no doubt to—

An hon. member: He is here.

Hon. Mr. Auld: Oh, I'm sorry; I thought you'd gone to restore your tissues.

There are a number of matters he touched upon. In the interests of brevity, I might indicate that some of those matters were touched upon in my opening remarks tonight, having to do with annual reports on the work done and the invoices paid, which will be tabled. He spoke of some of the problems of regions and so on. Those were addressed in the first forest regeneration conference, and pretty well answered in the second last year at Kapuskasing.

As far as staff and the number of people doing reforestation is concerned, what we will have in these agreements is the staff of the companies doing a great deal of the work, aided and abetted by our own relatively modest staff, which will be involved more in supervision.

As far as the methods and some of the problems to which the honourable member referred, about using mechanical equipment and so on, those are addressed in either the operating manual or the ground rules to which I referred in one of the previous meetings of this committee on these amendments. This includes the fact one of the bases of these agreements is that the best regeneration work is done by the harvesters so that he combines the two and does not create unnecessary work for himself.

I should remind the member the forest management agreements are the result of Dr. Armson's work. The Armson report has been referred to. He is sitting here in front of me, as he is now on our staff. His recommendations were modelled to a great

extent on the agreements in Alberta and BC, along with experience, visits and reports on the Scandinavian countries, where there are some similiarities and some great differences.

I don't need to go into seed collection, which is highly regulated, and some of those other matters. The main thing the forest management agreements will provide is a commitment that will provide a sustained yield as we had mentioned. Going back to those regeneration symposia which were held in Thunder Bay and Kapuskasing in the last two years, they were specifically designed to outline our problems and also get input from the industry on theirs.

There is provision in the agreements to deal with programs like DREE. Of that $71 million, of which roughly $60 million-plus is for roads, $5 million of the remainder is for nursery expansion and improvements to increase efficiency.

The member for Port Arthur wanted to know the reason for the exemptions (d) and (f) subclauses. I won't try and paraphrase this, but it has to do with certain provisions. I'll read it so there is no misunderstanding.

"In the absence of any exceptions, the regulations under the act will apply to a forest management agreement. One consequence of such an application is that the price for crown timber, determined under the regulations must be paid by the company which has entered into a forest management agreement. This consequence is not wanted where killed or damaged crown timber is to be salvaged, and the price for such timber is less than the price determined under the regulations."

I think I mentioned this, in a previous meeting of this committee, when somebody asked me about the prices paid for salvage. I think I mentioned it was everything from two or three cents, or 10 cents on one occasion, up to something like 35 cents or 40 cents.

"(b) Where a company which has entered into a forest management agreement harvests a volume of crown timber that is equal to a volume of crown timber that it produced at its expense, and the price for such timber is less than the price determined under the regulation—that is, 10 per cent of the regulation price—this is the improved production per acre.

"Consequently, the general principle of the regulations under the act will apply to a forest management agreement and must be qualified by excepting the provisions of the forest management agreement that are made under clauses (d) and (f) of section 5a whereby a price for crown timber that is less than the price determined under the regulations is agreed upon. In the absence of the exceptions, a conflict would result, namely the regulation would oblige the company to pay the price for crown timber determined under the regulations, and the agreement would oblige the company to pay a price for the same timber that is lower than the price determined under the regulation."

The exemptions are aimed at avoiding this conflict. I see the honourable member understands it clearly. If he reads Hansard again and then reads the regulations—

Interjections.

Hon. Mr. Auld: That was my experience and I think I understand it now.

Mr. Foulds: The minister does not persuade me as easily. As I read the exception underneath, the provisions made, under the regulations mentioned—the very last words —"apply only to these agreements", I don't see why the regulations cannot include clauses (d) and (f), from the minister's explanation. I might be able to accept clause (d); clause (f) does not address the question I asked. If they cannot be in regulation we're not talking about the general crown management unit, we're talking about these specific agreements.

I am particularly anxious that we have the knowledge of the reduction of stumpage fees as a result of whatever deal is made between the ministry and the company as a result of these agreements. I think it should be mandatory that the reduction the minister agrees to, as a result of the silvicultural treatments supplied at the expense of the company, is made public so we can evaluate whether the cost-benefit has been to the benefit of the people of Ontario.

Hon. Mr. Auld: To try and sum it up briefly, we're talking about two things in the agreement. We're talking about the charge that will be made for the timber which is produced per acre in excess of the previous yield, the incentive to the company.

The second part is the price that will be paid for salvage. Depending on its location and its condition, it could be any one of a number of prices. I think the member accepts the necessity for that. I can assure him that information will be part of the reports which will be made having to do with the annual work done and returns received. I will undertake to provide him and the House with a report of how this will be done and how it will be done by regulation, so there is no misunderstanding. The information will be made available to the House.

Mr. Foulds: If I could make this, as someone in recent history used to say, perfectly clear—if it is perfectly clear the reduction in the stumpage charges under clause (f) will become public knowledge as a part of the reporting mechanism, then I will be satisfied and let the point go.

Hon. Mr. Auld: That is right in the agreement. I can't put my finger on it. Do you know which section it is? It may vary from company to company or from area to area. We'll find that in a minute.

Mr. Wildman: Like my colleague, I had hoped this bill would be passed or be close to being passed this evening, but it appears since the debate has been somewhat protracted, it will not be.

There are some specific things I wish to raise with the minister. In relation to his amendment, I must admit I came prepared this evening to speak to and to support the "Davis-Martel" amendment. I don't think I'd be betraying any caucus secrets when I say I was a little bit less than enthusiastic about withdrawing that amendment, despite the government's abhorrence of its own leader's proposal.

Mr. Chairman: It's withdrawn.

Mr. Wildman: Yes, it is withdrawn. I wish to speak to the amendment put in its place by the minister.

When I was speaking on second reading I said I was rather sceptical about the effectiveness of this bill. The amendment proposed by the minister makes it clearer and gives us a greater access to information about what is going to be required of the companies, but it does not deal with my scepticism.

The member for Port Arthur said that after another four years he might be as cynical as his colleague from Rainy River. Frankly, I haven't been here as long as the other two and perhaps I'm more cynical than the two of them put together about this whole process. When one considers that in Finland the government charges the companies $35 a cord for pulpwood stumpage and the onus is on the operator on top of that to ensure adequate regeneration at his own expense, one wonders whether or not this approach being used in Ontario is really an effective one or one that really deals with the requirements for sustained yield.

In this province companies put up a real clamour when stumpage is increased from $2 to about $5.30, even though that includes ground rent and fire protection fees. If that's the case, I wonder how much effort and financial resources they're going to put into producing sustained yield.

[10:00]

That really leads me to the concerns raised by my colleague from Rainy River about what happens if and when it is found the companies, after five years or 10 years, or whatever, with the inspections and the reporting, have not done what they had agreed to do under the forest management agreement. I agree with him, frankly, that we will all be put under tremendous pressure because of the effects on jobs in one-industry towns if the allowable cut is reduced. When you reduce an allowable cut, you reduce jobs.

The amendment as proposed doesn't deal as adequately as I would like to see with those concerns. Even in other provinces of this country, such as British Columbia or Alberta where, I think, the legislation has more clout, it has been questioned.

For instance, Toovey suggested in BC that public opinion, rather than industrial performance in terms of regeneration, will have a greater effect on the security of tenure for the cuts in the province. In other words, if it is popular to reduce a company's allowable cut if the company doesn't fulfil its obligations there, then that will happen. If it is unpopular, if there is a clamour raised about the effects on jobs, then that probably will not happen.

I wonder what assurance the minister can give us. I don't think his reply to the member for Rainy River really dealt with that adequately.

In Alberta, where the forest service handles the planning and approving and inspection and the industry does the job on the basis of sustained yield, they have a requirement, I believe, that the industry have these measures in place and be well on the way to regeneration within two years after harvest, rather than the five years suggested here. I wonder whether the minister can explain why he prefers the five-year period to the two-year period.

As I said, I am concerned about these penalties under the proposed bill for undercutting or, for that matter, overcutting and unsuccessful regeneration. What happens if bad weather has made it impossible to regenerate? How is that going to be determined? I am still a little sceptical.

I am particularly concerned about the black spruce because, coming from the north, the black spruce really is the most important species we have. It is 40 per cent of the total productive forest in the province. In terms of volume cut and value to the economy, it

is the most important. It is being consistently depleted and we face a crucial need for regeneration.

Frankly, Mr. Chairman, I have been informed by foresters who are in the know that if even less than 10 per cent of the current peat land cutover had been planted in 1977-78, it would have taken all of the provincial nursery production in black spruce in that year. I would like the minister to comment on that. Is that correct? Would that be a correct projection? If not, can he tell us where we stand right now in terms of nursery production and our ability to produce the requirements?

It required seedlings and seed. Is it correct to say that even if we were to use all of what we are now producing in nursery stock for black spruce we wouldn't be able to regenerate or plant more than 10 per cent, or not even that much, of the cutover peat land? If that is the case, I wonder how he thinks his amendment and the agreements he is proposing are going to change that situation.

Obviously, we have to develop successful techniques for natural regeneration and for direct seeding. I would like to know when, in these agreements he is proposing in the report, it is going to be done. How much of the further research required is going to be the responsibility of the company and is that going to be incorporated in the agreements?

Mr. Chairman: Is the member for Algoma finished?

Mr. Wildman: Mr. Chairman, I don't have much more to say, considering the length at which other members, particularly one member, went on. I don't think I am wasting the time of the House.

I am concerned also about what emphasis is going to be put on advanced growth as a potential component of regeneration in the various forest-management agreements, because conventional clearcutting really tends to destroy seed trees and much of the advanced growth. So we end up in a situation of having to collect seeds for seed production and for the production of planting stocks.

I think we have to preserve advanced growth and retain adequate seed sources. In order to do that we are going to have to have better methods of creating acceptable seed beds and better methods of harvesting. Because if we are not going to harvest adequately, or if we are going to destroy the advance growth, then we are going to end up having to have more and more artificial reseeding.

When you talk about mechanized harvesting, I would like to know what provisions are going to be made in the agreements for ensuring that we preserve advanced growth.

Conventional harvesting methods also eliminate seed sources and produce cutovers that are susceptible to extremes of heat and drought and leave potentially good seed beds covered with logging debris, which in many cases precludes adequate regeneration.

I would like to know if the black spruce stands we have will be assessed for advanced growth prior to harvesting, in order to plan and implement effective harvesting and regeneration methods. Also, will the logging slash be removed? Will it be part of the agreement to require that the logging slash be removed from cutovers, preferably during harvesting, to expose potential seed beds and facilitate site preparation?

Obviously, in order to preserve advance growth and to deal with the question of slash, I think we are going to have to emphasize winter operations because that would seem to be the best way of dealing with that in terms of preserving it by working in deep snow cover.

I would like to know what attempts will be made, or what emphasis will be put, on the use of bulldozers equipped with shear blades to slice off the living moss layer to create receptive competition-free seed beds for black spruce when the ground is frozen.

Those are the specific questions I have. I say again, Mr. Chairman, I remain sceptical, even with the amendment, which is a great improvement on the previous bill. I think all of us in this House and in the province owe the member for Sudbury East a genuine vote of thanks for bringing the Premier's ludicrous and contradictory proposal to the floor of the House in order to ensure the minister would bring forth an amendment which would specifically state the kinds of approaches that are going to be used by the ministry.

In bringing forward that amendment, I would like the minister to be able to explain to us what specifically is going to be required under the forest-management agreement in terms of site preparation, adequate harvesting and research for silvicultural advancement.

Hon. Mr. Auld: Mr. Chairman, am I now winding up on this section, because I find a number of questions have been asked several times? I am not really anxious to take up the time of the House to answer them several times.

Mr. Chairman: This is committee; we understand, go ahead.

Hon. Mr. Auld: Mr. Chairman, in reply to the member for Algoma, first of all I have to tell him he was not correct in citing Alberta as having a two-year period of assessment, compared to five years. As I understand, in Alberta, the seeding or planting has to be done within two years of cutting, but it is not assessed for seven years. In Ontario, we will, as I mentioned earlier, be dealing with annual reports and assessments every five years.

The honourable member brought up a number of very good points about harvesting. One of the reasons we are in the forest management field is because it is accepted by foresters everywhere that the best way to operate a forest is to integrate the harvesting and the regeneration. A great deal of time and money and effort is saved and a better result is achieved. As I have mentioned several times, there will be as part of the agreements in effect, a method practice manual, as well as the ground rules. A number of the practices which have been mentioned by the members for Algoma and Nipissing and others in this House will be covered in those documents which are prepared by the staff. They will, in effect be, as much as is humanly possible an assurance of good, consistent practice around the province.

There is one other thing; about the backlog. The agreements are based on two things. One is the regeneration of the cut from now on, and the second is about 10 per cent a year of catch up on what is called not satisfactorily regenerated areas, of which there are a number in the province. To achieve this I think it's fair to say we will need a variety of things; an increase in nurseries, seed collection and so on, which have been started and will continue as the agreements are entered into and as the program expands from the figure we have this year of $4.3 million. Unfortunately, I don't think we will expend that completely because we will not have the act in place as soon as we had anticipated when the budget was put together about a year ago. This will go, in today's dollar, to something in the order of $20 million or perhaps $25 million a year as we phase it in. It's a major program.

Motion agreed to.

Hon. Mr. Auld: Mr. Chairman, as I mentioned earlier I have a further amendment to section 5.

Mr. Chairman: Hon. Mr. Auld moves that section 5a of the act as set out in section 5 of the bill be amended by adding thereto the following subsection:

"(4) If the assembly is then in session, the minister shall:

"(a) within five days after entering into an agreement under subsection 1, or an amending agreement, lay before the assembly a copy of the agreement or amending agreement as the case may be;

"(b) after the end of each year of an agreement entered into under subsection 1, lay before the assembly a report in respect of the areas harvested, regenerated and tended under such agreement in the year it is ended; and

"(c) after the end of each term of five years of an agreement entered into under subsection 1, lay before the assembly a report in respect of the relationship between the harvest and growth including regeneration of timber during the said term on the areas subject to the agreement, or if the assembly is not then in session, at the beginning of the next ensuing session."

Any comments? The member for Rainy River.

Mr. T. P. Reid: Mr. Chairman, we certainly will support this amendment. From listening to the minister tonight and in the past weeks when we have been dealing with it, I am of two minds. One is that the minister is well intentioned and indeed perhaps regrets the sins of the past Conservative administrations in this regard. Or, second —and sometimes I feel this most strongly— he really doesn't know what he's doing and is bringing in some necessary legislation, unbeknownst to himself and his colleagues as to what he's really doing.

We are happy to see this. We are happy to see that the information will be laid before the assembly. We think that information is of vital interest and concern, not only to the members but to the public at large. We welcome this amendment and hope for a speedy passage.

Mr. Foulds: Mr. Chairman, I think this amendment considerably strengthens the bill and I am very pleased by that.

There are three points I feel I must make. One is I really would feel comfortable if the report mentioned in clause (b) and the five-year report mentioned in clause (c) at some process was clearly signed by a certified professional forester.

I understand and we discussed in private the difficulty of having the report that is presented in the Legislature signed by a certified professional forester because the minister has to sign any reports presented to the Legislature. But if in the course of the accumulation and the finalization of the data that is presented it was clearly shown even as an ad-

dendum to the report, that a professional forester had signed a statement which said, "I have gone over the information in this report and to the best of my knowledge"—or some wording like that—"the facts as stated in the report are accurate," and so on, I think that that's not asking too much. I would like that incorporated as part of the report.

When we had our discussion it was mentioned that the management plans presented by the companies for the ministry were signed by a professional forester, but when I was rereading the draft agreement over the weekend I did not find at any point a clear statement of the report of the success and failure of the areas harvested, regenerated and tended is actually to be signed by a professional forester. It was my understanding from a private conversation, which I would like to get on the public record, that there is going to be a professional forester designated for each of the agreements that is entered into, partly to solve this problem where the agreement lands may encompass more than one district and partly to overcome the problem where the district manager, good fellow though he may be, may not be a professional forester. He may have come up through the ranks of another branch of the ministry.

So I think it is important for two reasons. One, that we are assured in the Legislature that a professional forester is putting his reputation on the line, as a professional forester, in certifying the silvicultural accuracy of the information that we have presented to us.

Hon. Mr. Auld: That is included in the manual. The yearly accounts will show the work done and the payment therefor, which I mentioned and which is one of the two things that will be tabled as a result of that combined amendment, the Auld-Foulds amendment. The certificate having to do with the forestry treatment will be made by a registered professional forester, although the report submitted to the House, of course, will be also signed by the minister.

Going back, if I may, Mr. Chairman, to the question the member for Port Arthur raised a few minutes ago and which I said was in the agreement, if he looks at page 13, section 23—I won't take the time to read it but it is there, "as the treatments and increases are certified in detail" and so on. I think that is the reference I was trying to find a few minutes ago.

Mr. Foulds: One of the things that bothers me frankly—and you will forgive me for being just a little cautious on this—are the words "signed by a professional forester on behalf of the company." The reason that I want the accumulation of data signed by a professional forester is that it has clearly been shown to the public, if you like, there has been an auditing of it independently of at least by a professional forester within the ministry. Maybe we then have two guys on the line with their professional reputations.

Hon. Mr. Auld: That, of course, is done in the same way as a chartered accountant does really.

Mr. Foulds: Yes.

Hon. Mr. Auld: As I mentioned, our people will be doing their own checking and audit so I would assume that that would take place. If there is any problem about it—and we cannot find any at the moment—I will deal with it. I don't think we are going to be finished tonight. I don't know what the member for Riverdale (Mr. Renwick) is going to deal with in these amendments.

I think I can make that assurance.

Mr. Foulds: I have one further comment if I might and that is on another matter I raised previously. I understand legalistically why in clause (c) we cannot insert the word "before" instead of the word "after," the very first word, but I think what happened is in the minister's statement he said that during—if I could find the actual reference.

Why did I throw away your new statement and keep your old one? On what page do you talk about the two agreements?

Hon. Mr. Auld: Page 23. Or sorry, page 13, section 23.

Mr. Foulds: No, no. In your statement.

Hon. Mr. Auld: Which statement?

Mr. Foulds: The new one, the one you made tonight.

Hon. Mr. Auld: "The first report will report on the areas harvested"? Page nine.

Mr. Foulds: Yes, "will report on the relationship between the harvest and growth including success and failure of regeneration of timber during each of the five-year term enforced management agreements."

The problem I want to outline is how do we get a handle, or do we get a handle only after the fact, on whether the ministry has made an honest judgement about whether the company has fulfilled its obligation in the first five years? I guess it gets back to the problem raised by the members for Rainy River and Algoma. To use the vernacular, when the ministry has not had the guts in the past to threaten a company with enforcement when they did not meet cutting practices, how do we know they will not extend the agreement another five years?

If the ministry reduces the 20-year agreement to 15, instead of giving the extension of five years because of nonfulfillment in the first five years, and if a company doesn't fulfil in the next five years, how do we know the ministry will make the tough judgement that needs to be made to ensure the company does the reforestation, so the timber mining that has taken place in the past will not take place in the future?

Hon. Mr. Auld: Mr. Chairman, I think we have to remember one of the bases of the forest-management agreement approach is it's of at least equal concern on the part of the company that there is a sustained yield so they can continue to harvest it.

It would seem to me that with the information which will be available to this House in terms of annual reports plus the five-year audit which will, I would assume, be like other audits and be produced towards the end of the fifth year and will be tabled, there will be public interest in the areas in which that company operates and there will be no shortage of both professional and amateur foresters who will comment on the progress. I made no comparison, Mr. Chairman, and I won't, but I don't know of any way we can give a better basis of information on which outside judgements can be made than what is to be tabled.

There are two key points. There is the basic interest of the company in having a continuing supply of material—otherwise a company loses a large investment and that isn't the purpose of their exercise—and secondly there is an incentive not just to regenerate but to regenerate and improve production per acre or square mile, or whatever it may be. I think there is a very big incentive.

Mr. Foulds: First of all, I'd like to make one comment about the diligence and co-operation of the staff of the minister and the minister himself, over the last couple of weeks over the matters arising because of the amendment of my colleague from Sudbury East. I believe they are dedicated to making these agreements work.

I guess that brings me to the three biblical things; faith, hope, and charity. We have to have some faith that what has not happened in the past will happen in the future. I would put that, in my case, at about 40 per cent. You have to have some hope it will occur; that's at 100 per cent. And we have to have 120 per cent charity with regard to what has not happened in the past.

Motion agreed to.

On motion by Hon. Mr. Auld the committee of the whole House reported progress.

The House adjourned at 10:30 p.m.

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Young, F. (Yorkview NDP)



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Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House met at 2 p.m.

Prayers.

Mr. G. I. Miller: On a point of privilege, Mr. Speaker, I would just like to point out that the apples on the members' desks today are compliments of the Norfolk apple growers. As a matter of fact they were provided by Tom Haskett of Vittoria on behalf of the apple growers in Norfolk county.

STATEMENTS BY THE MINISTRY

FISH STOCKING PROGRAM

Hon. Mr. Auld: Mr. Speaker, there has been some concern expressed recently by outdoor writers and sports fishermen groups about our fish stocking program in Lake Ontario and particularly about that part of the program which involves coho salmon. I would like to bring the members up to date on the coho stocking situation. First of all, I would like to talk about the stocking we have been doing in Lake Ontario over the past few years.

In 1976 we planted 194,000 yearling lake trout; 108,000 yearling rainbow trout; and 165,000 yearling coho salmon. In 1977 we planted 287,000 yearling lake trout; 109,000 yearling rainbow trout; and 312,000 yearling coho salmon. In 1978 we planted 200,000 yearling lake trout; 120,000 yearling rainbow trout; 201,000 yearling coho salmon; and 392,000 fingerling chinook salmon. In 1979 we planted 201,000 yearling lake trout; 110,000 yearling rainbow trout; 151,000 yearling coho salmon; and 147,000 fingerling chinook salmon.

This level of effort in Lake Ontario compares very well with what we are also doing in Lake Huron, where we stocked 600,000 yearling splake last year, and in Lake Superior, where we stocked 500,000 lake trout yearlings. We hope to continue this program and to improve it as our capability expands.

In Lake Ontario our program tries to do two things: work towards the re-establishment of strong, naturally-reproducing populations with species such as lake trout and rainbow trout; and to provide some needed immediate fishing opportunities with the put-and-delayed-take stocking, using coho and chinook salmon, as well as the lake trout and rainbow trout. We are hoping to be able to add brown trout to the species and numbers in two or three years.

This year we have encountered a disease problem in the coho stocks which are scheduled for planting next spring. Some of them are infected with a viral disease called IPN, which means infectious pancreatic necrosis. We have had to keep them out of our regular fish-culture facilities in order to protect the healthy stocks of brook trout, lake trout, splake and rainbow in those facilities, so we have kept them in a separate, temporary facility near Uxbridge.

Although we did have considerable mortality, strangely enough, the coho themselves seem to handle the disease fairly well. However, when the virus is transmitted to other species such as brook, lake and rainbow trout, as has happened at a fish-culture station, it becomes much more serious. Naturally, we have been concerned about what might happen in other fish species in the wild if we plant coho that carry IPN. The discussion among our ministry biologists and fish health specialists has been: Should we plant or not plant the coho this year?

The put-and-take fishery we have created in this end of Lake Ontario has been popular and certainly it has partly filled a need. It has also given rise to a nice, modest new industry, the charter boat industry. We intend to continue the put-and-take plantings, at least until natural self-sustaining populations are re-established and that will take many years.

I hope the honourable members can understand my concern that by planting this particular coho—a small part of the put-and-take plantings, by the way—we may do damage to other native species and/or to the other fish we are planting. We just don't yet know all the answers to that question. Would the planting provide the fishing opportunities needed, or would it actually reduce them?

If we were the only agency planting coho salmon in Lake Ontario I would have no problem deciding to destroy the infected stock, to control the disease and protect our native fish and other species involved in our planting programs, but that's not the way it

is. Some of the state agencies on the US side are planting coho which carry the same virus and the fish they plant don't know about international boundaries. Even if we decide not to plant we may have the problem in our waters anyway.

Seriously—and I think this is a serious matter—there is an international agreement under the Great Lakes Fisheries Commission which commits all agencies to work towards eradicating fish diseases such as IPN. Some agencies are working harder than others to implement this agreement.

As an item of urgency and serious concern I will be pressing our federal government and the Great Lakes Fishery Commission to convene a meeting of senior fisheries people from all member governments to address this international problem.

A few final points; first the IPN virus is not known to be a problem of human health concern. It apparently only affects fish. Second, I wish to further explore the science, the law, and other agencies' intent before deciding whether or not to plant the coho stock next spring.

Finally, we intend to continue and expand the plantings of fish in this end of Lake Ontario to support the fishery which has been established.

COMPLAINTS AGAINST POLICE

Hon. Mr. McMurtry: Mr. Speaker, today I will be introducing a new bill to be called the Metropolitan Police Force Complaints Project Act, 1979. The bill establishes a pilot project for Metropolitan Toronto which is designed to improve the processing of complaints by the public regarding the conduct of police officers. The project will be of three years' duration.

I emphasize that it concerns Metropolitan Toronto only. It will be evaluated to determine if changes should be made and whether similar procedures can be used for other areas of the province which may wish to implement them.

The legislation was prepared only after extensive consultation with the Metro police commission, the Metro police association, the police chief and other interested members of the community. Indeed, after a meeting earlier this year with the Metro mayors, I was impressed with their desire for a review system which contains a greater civilian component and is equally fair to citizens and police alike. We think this bill clearly accomplishes that objective.

The bill provides for the establishment of a new independent procedure to deal with public complaints of police officers' conduct. A new public complaints commissioner would be appointed by the government and his office would be totally separate and distinct from the Metro Toronto police force. He will have broad general powers and adequate resources to enable him to perform his function in a completely independent manner.

The complaint of the citizen will be dealt with initially by the public complaints investigation bureau of the Metropolitan Toronto police force. Procedures are established for the making of complaints and the reporting, investigation, resolution and disposition of complaints by the Metro force. This process is monitored throughout by the public complaints commissioner.

If a citizen is not happy with the manner in which his complaint has been dealt with, he may request that the public complaints commissioner review the matter. It shall be an offence for any person to obstruct the commissioner or a person appointed by him, to make an investigation or withhold, conceal or destroy any books, papers, documents or other things related to the investigation.

After reviewing the citizen's request, the commissioner may order a hearing which will take place in public before a new independent police complaints board which will be established for this purpose. He can order that a hearing take place before a three-person panel.

The board will be made up of 15 citizens appointed by the cabinet. Five will be legally trained, five will be appointed on the joint recommendation of the Metropolitan Toronto Police Association and the chief of police and five on the recommendation of Metropolitan council.

If the hearing takes place before a single board member, it will be one of the legally trained members who conducts it. If it is a panel, one from each of the three groups will be selected and the legally trained member will be chairman. Both the police officer and the complainant would have a right to counsel as the public hearing is conducted.

Mr. Speaker, the new board will have disciplinary power and may impose a penalty within the range of penalties currently prescribed in the Police Act. The board's decision will be provided to the citizen, the police officer and the public complaints commissioner.

I wish to emphasize again that the bill which is being proposed establishes a pilot project only, and the consultation process will continue. I know this is a matter of some urgency to Metropolitan Toronto officials and it is my hope that the bill will draw the

support of the members and receive a speedy passage into law.

I want to repeat at this time that I have nothing but the greatest respect for, and confidence in, the Metropolitan Toronto Police Department, which force is undoubtedly one of the finest in the world. This legislation is being introduced at the request of their own governing body. We believe this new law will help to maintain the high level of confidence the public holds in its police force.

[2:15]

OCCUPIERS' LIABILITY AND TRESPASS REFORMS

Hon. Mr. McMurtry: I will be introducing for first reading today two bills, the Occupiers' Liability Act and the Trespass to Property Act. These bills are designed to reform two different but related areas of law—the law governing an occupier's liability to those who come on to his land and the law protecting an occupier from trespass to his land.

In May of this year I tabled a discussion paper on these topics in the Legislature. Following its tabling, it was distributed throughout the province for public comment. Hundreds of letters have been received and 75 per cent of those responding indicated general support for the proposals contained in the discussion paper. The letters and other submissions have been carefully analysed and the bills I am introducing have been improved as a result of this public participation.

To serve adequately the needs of Ontario residents, the law must take into account the diversity and complexity of this province. The law must meet the needs of residents of wilderness regions, agricultural communities, areas relying on the tourist industry and urban centres. These bills are an attempt to meet the needs of all Ontario residents.

CANTRAKON CONFERENCE CENTRE

Hon. Mr. Bennett: Mr. Speaker, I would like to take this opportunity to bring the House up to date on a subject which prompted much discussion several months ago in this very House: namely, the construction of a multimillion dollar conference centre by a company called Cantrakon.

Interjections.

Hon. Mr. Bennett: Harry, I win. I figured I couldn't get through that far.

At my request, Cantrakon has spent literally the past year trying to find a site less contentious than the site they had originally chosen in the town of Caledon, yet possessing all of the same general criteria, such as proximity to the Toronto Airport, an attractive natural environment and so on.

Mr. S. Smith: At your request? I thought we were going to have an election on that.

Hon. Mr. Bennett: The Leader of the Opposition has no opportunity of ever suggesting to any of these firms what they should do. He can yak a lot but that's about the end of his ability to do anything around here.

This morning at a meeting with the chairman of the regional municipality of Halton, Mr. Jack Raftis, the mayor of council of the city of Oakville and members of his council, Cantrakon announced that after much study and negotiation, including seriously considering staying out of Ontario altogether—

Mr. Nixon: That was a close one.

Hon. Mr. Bennett: Very close, let me tell the former Leader of the Opposition—they have chosen a site in Oakville adjacent to, and part of, the property known as the Glen Abbey Golf Course, owned by Genstar Limited.

Needless to say, I am personally delighted with the decision of the company to remain here in Ontario, as I am sure are all of my colleagues in the House. The facility will cost in the neighbourhood of $15 million to construct and upon completion will employ over 150 staff members on a full-time basis.

Mr. Roy: It's called retreat. It's not walking backwards; it's called retreat.

Hon. Mr. Bennett: If the member for Ottawa East would be quiet for a minute, rather than yakking constantly, he might hear something. When he appears in the Ottawa press one certainly wouldn't think he had ever heard a thing around here.

Like the proposal for Caledon and Cantrakon's current operation in Quebec, the architectural design for this project is such that the complex will blend into its surroundings. It is located about 20 minutes from the airport and so meets that essential requirement.

I am sure the member for Wellington-Dufferin-Peel (Mr. J. Johnson) will be disappointed that his area will miss the income and job opportunities, but I am equally sure the riding of Oakville, represented by the Minister of Transportation and Communications (Mr. Snow), will welcome that employment.

HANDICAPPED PERSONS' RIGHTS

Hon. Mr. Elgie: Mr. Speaker, on November 22, 1979, I introduced a bill entitled An Act to provide for Rights of Handicapped

Persons, to protect handicapped persons from discrimination in relation to a broad range of matters, including employment, the provision of services, goods and facilities, accommodation and other matters.

As I said when the bill was introduced, the protection of the handicapped is and was an important priority for this government. In deciding upon separate legislation it was my hope that the rights of the handicapped could be protected without unnecessary delay and, more specifically, without awaiting broad revisions to the Ontario Human Rights Code which are still under review. I must frankly confess my disappointment in the negative reaction by a number of groups representing the handicapped persons and by both opposition parties.

The essence of the objections which I have received since the introduction of the bill are twofold. First, it has been contended that in substantive terms the bill does not go far enough in ensuring that the handicapped are protected from discrimination.

Second, it is argued that the handicapped, rather than being singled out for special attention in a separate piece of legislation, should be afforded protection along with other minority groups under the Human Rights Code.

As to the first ground of complaint, I have met with some handicapped organizations and have received representations as to ways in which they believe the bill might be further strengthened. Most of the suggestions made to me were useful and I have indicated to those groups that I am quite prepared to respond favourably and to introduce appropriate amendments on second reading.

However, it has been made quite clear by those groups that even if I were to respond affirmatively to all of their substantive objections, they would still strenuously oppose the legislation on the second ground: namely, that they are being singled out and somehow stigmatized in a separate piece of legislation.

In my meetings with them I have attempted to reassure them that there is no intent on the part of the government to treat the handicapped in any prejudicial fashion by enacting separate legislation. Indeed, if their rights were to be protected under general revisions to the Human Rights Code, it is almost inevitable that some separate sections of the code would have to be enacted and that alone would set them apart from other groups.

Moreover, a number of jurisdictions in North America have recognized this and prohibited discrimination against the handicapped under separate legislation. I might mention in particular the United States Rehabilitation Act of 1972, a seminal and extremely progressive piece of legislation that was enthusiastically supported by handicapped groups when it came before Congress. A similar approach was taken in the province of Quebec, in the neighbouring state of Michigan and in other state legislation, without apparent objection.

All of this was pointed out to the groups with whom I met, but I am sorry to report that so far I have been unable to persuade them of the need to proceed expeditiously to afford protection to the handicapped and that this need should transcend any concern about the separate legislative treatment. Their objections remain, even in the face of my undertaking to treat Bill 188 as an interim legislation to be incorporated in the provisions of the Human Rights Code when the broader revisions to the code are introduced in the Legislature.

I regret as well that both opposition parties saw fit to express their opposition to the bill, by way of press releases, without first availing themselves of the opportunity to discuss the matter with me to see whether any accommodation could be made along the lines outlined above. Had it not been for the precipitate action on behalf of the opposition, to which both parties are now apparently irrevocably committed, I remain convinced that a compromise could have been found which would have ensured protection for the handicapped population of Ontario in this session of the Legislature.

As a result of the objections taken to the bill, it is now apparent to me that our goal cannot be achieved before prorogation. I hope those in opposition appreciate the consequences of the rigid position they have so far taken and the effect it will have on the handicapped population of this province.

However, in view of the stand taken by those in opposition to the bill, which I regard as one of the most progressive pieces of legislation I have had the privilege of presenting to the House, I can see no purpose in proceeding with second reading. While I am prepared to continue to meet with organizations representing handicapped persons and to receive and seriously consider their representations, I am unable to say at this time how the government may decide to deal with the problem at the next session of the Legislature.

It is argued by some that the only acceptable solution is to include the handicapped in the full-scale revisions to the Human Rights Code. While this is certainly a possi-

bility, I do not yet know when those revisions will be forthcoming. There are a number of serious and important questions relating to the code revisions still under review, not the least of which is the difficult question of discrimination relating to age, a matter which requires and is receiving the most careful and detailed analysis, here and elsewhere.

Moreover, it is clear to me that once the code revisions are introduced, there are a number of matters which will provoke considerable debate. It is only realistic to recognize the legislative process will be protracted and that it may be some time before revisions become law. My hope has been that in the meantime there could be all-party agreement on the need to protect the handicapped and agreement as well upon the substantive features of legislation which could immediately be put in place.

Accordingly, between now and the next session of the Legislature, I will be reassessing the matter carefully and will continue to consult with handicapped groups and with my colleagues in both opposition parties in an attempt to pursue the initiative commenced on November 22 in a way which is acceptable to all concerned—recognizing always that my overriding obligation is to the individual citizens of this province who suffer from disabilities and who are being unjustifiably denied the rights to which they are entitled.

EMERGENCY SITUATIONS SEMINAR

Hon. Mr. Parrott: Mr. Speaker, I would very briefly like to inform the honourable members about a seminar taking place on Monday, Tuesday and Wednesday of this week at the downtown Holiday Inn.

Interjections.

Mr. Speaker: Order, order. Since the Leader of the Opposition (Mr. S. Smith) wants to hear this statement will everyone be quiet, please?

Hon. Mr. Parrott: This course has been organized and co-ordinated by my ministry to cover the topic of contingency planning in emergency situations. It is being attended by approximately 100 individuals representing the RCMP, the OPP, various regional municipalities and fire departments, as well as Environment Canada, the ministries of Labour, Solicitor General and Attorney General and the fire marshal's office.

The course is being taught by instructors from the Hamilton Fire Department and I would like to thank Mayor Jack MacDonald for his co-operation in this venture.

Because of the importance of this kind of training for all authorities involved in the handling of emergencies, my ministry is investigating the possibility of setting up similar sessions on a regular basis around the province.

ORAL QUESTIONS

DUMPING OF LIQUID WASTE

Mr. S. Smith: Mr. Speaker, I have a question of the Minister of the Environment. Given that he knows as well as I that millions of gallons of liquid waste from outside Hamilton have been illegally dumped in the Upper Ottawa Street dump over the last several years; given the fact that members of his own ministry knew what was going on and decided, for their own reasons, to take no action on the matter; and given that his method of dealing with the situation by laying charges based on waybills has now been thrown out of court, will the minister now accept my suggestions for dealing with this matter which is to have a judicial inquiry to bring the facts to light, even if they implicate people in his own ministry?

Hon. Mr. Parrott: Mr. Speaker, I certainly don't agree with a large portion of that statement. I think it's a little ironic that on this particular week we should make comments about how well the courts are dealing with an environmental issue, particularly in the light of the debate that may happen on Thursday of this week; it rather surprises me that the member would abdicate.

Let me tell the member that we're going to appeal that decision and I think he would have been wise to have perhaps questioned whether that wasn't the logical first step. I would hope he might agree to appeal the decision is the logical first step. I hope, also, he would accept that is the way to deal with the environmental matters of our province. If he does then he might wish to reconsider his bill.

Mr. S. Smith: The minister must surely realize that the weakness of his laws is one of the reasons my bill is required in Ontario.

Supplementary: Given the fact that the minister intends to appeal the charges based on these waybills, which in my view were fundamentally a smokescreen in the form of charges, can he tell the House two things? Can he tell us on what grounds the ministry hopes to be able to appeal this particular decision and whether there are going to be any changes made in the law in order to plug any loopholes that may exist? Can he tell us whether if his appeal fails he will then have a judicial inquiry to bring the facts to light

in Hamilton to stop the process of covering them over?

[2:30]

Hon. Mr. Parrott: The facts of the matter are simply as follows: We were well into the investigation long before the leader of the Liberal Party raised the issue in a public way. I think that is now on the record.

Mr. S. Smith: That doesn't convince anyone.

Hon. Mr. Parrott: The member wants to say the opposite, but he happens to be wrong.

Mr. S. Smith: You lost again.

Hon. Mr. Parrott: I am afraid he happens to be wrong on two accounts. The second account is there has been absolutely no suggestion by the police force of the regional municipality that the ministry staff were either incompetent or covering up, as he would be so apt to put on the record without foundation in fact. He has put no evidence forward.

Mr. S. Smith: I have proved it.

Hon. Mr. Parrott: I am sorry the Leader of the Opposition takes such exception to the facts. I don't think he was in court. Am I in error in that regard? Did he go to the court and put all this evidence on the record? Maybe I have missed something, because he hasn't put it forward to the ministry.

Mr. S. Smith: At a judicial inquiry I will put evidence forward.

Hon. Mr. Parrott: The member has so much faith in the court system. Why didn't he avail himself of it?

Mr. Speaker: Order. That wasn't a part of the question. It isn't within your province to ask questions; it is yours to answer them.

Mr. Isaacs: Supplementary: Will the minister assure this House that the necessary amendment to the regulations and possibly the legislation will be made to ensure that all parties involved in the transportation of liquid industrial waste and other hazardous compounds are equally responsible for correctly filling out the waybills?

Hon. Mr. Parrott: I don't think it is necessary to amend the legislation. Quite frankly, I don't know how I can say this without being in contempt of court and I will try to frame it in the most delicate of ways, but I disagree with the court and its interpretation.

Mr. Makarchuk: The Attorney General is wincing.

Mr. Martel: I will come and visit you in jail.

Hon. Mr. Parrott: With respect, I would sooner take my advice on the courts from the man to my immediate front and left, rather than from across the way. I have far more faith in him. But I think the court in this particular instance didn't see the legislation—I think it is section 101—and interpret it the way we expect and hope it will be interpreted in the higher court. We have full faith in that higher court to make that appropriate interpretation.

Mr. S. Smith: Supplementary: For almost a year now I have been asking the minister to give us the site inspection reports for the Upper Ottawa Street dump. Why does he continue to keep those secret? Why will he not put those on the table so we can see what has been going on at the Upper Ottawa Street dump, instead of trying to cover it over with these charges based on waybills and instead of dealing with what actually happened at the dump? Why can't we see the site inspection reports?

Hon. Mr. Parrott: I think the Leader of the Opposition knows we considered that material that should be put before the court and would at the appropriate time, and we are prepared to do so. If he wanted to join in the action and take a position before the court, he was free to do so. That seems to be his approach to dealing with things in the environment, but he chooses to take that role only when it is convenient, not when it is logical.

Mr. S. Smith: You are still keeping them secret.

TEACHER-BOARD NEGOTIATIONS

Mr. S. Smith: I have a question for the Minister of Education. Given that the trustees in the borough of North York are now threatening to close the schools if no contract is signed before the end of this calendar year, will the minister now admit that she is going to impose some form of arbitration on the two parties? If she is going to do that, why is she waiting and creating the bitterness, the division and the strife that exists now? Why is she extending that? Why does she not move now rather than wait until what might be seen by her as a more politically appropriate time to move? The minister is going to bring in arbitration at some point, she surely knows that, why doesn't she do it now?

Hon. Miss Stephenson: Mr. Speaker, the answer to the first question is no.

To the second question I would remind the honourable member that I did not create the strike and, indeed, the students of North

York have been providing a model of rationality and sense which I trust the two parties to the negotiations will follow.

Mr. S. Smith: Supplementary: Do I understand the minister to say that she has no intention of introducing and will not introduce binding arbitration? If that is what she is saying, do I take it she is going to let the entire matter run its course and then have this Legislature called back some time in January perhaps, to legislate the matter back to regularity? Is that what her intention is and if so, isn't that being awfully cruel to the children who are suffering under the present regime?

Hon. Miss Stephenson: Mr. Speaker, that is not what I said. I answered the first question of the honourable Leader of the Opposition factually and honestly.

Mr. Sweeney: Supplementary: I understand the Education Relations Commission has not yet reported that the students' education is in jeopardy. Can the minister tell me how they can reach that conclusion, given that they have not spoken to the trustees and they have not spoken to the director of education?

Hon. Miss Stephenson: Mr. Speaker, that is correct. Indeed, the Education Relations Commission has made that report. Yesterday I inquired of the Education Relations Commission concerning the mechanism that was utilized in order to reach that conclusion. I have not received it as yet. When I do I shall report it to the House.

Mr. Cassidy: Supplementary: Will the minister not agree that the nature of a work to rule is that the process of education is continuing as it should, and will she not inform the North York Board of Education that for it to close the schools in January would jeopardize the education of children in North York, whereas those schools have been operating for seven weeks and the students are much better with the schools open than with the schools closed by the board?

Hon. Miss Stephenson: Mr. Speaker, I am not sure I could agree whole-heartedly and totally with the assessment made by the honourable leader of the third party. I am attempting to do some monitoring of the situation on my own and I shall undoubtedly report to the House about that in due course as well.

FEDERAL BUDGET

Mr. Cassidy: Mr. Speaker, I have a new question for the Treasurer relating to the federal budget which is coming down tonight.

In view of the commitment of the new federal government to increased consultation with the provinces, would the Treasurer tell the House what consultation has taken place with this province with relation to the forthcoming federal budget? Does that consultation differ in any material way from consultation under the former Liberal government and can he say whether we can expect any positive results from any consultation that may have taken place?

Hon. F. S. Miller: The answer is yes, Mr. Speaker, there was consultation, perhaps in the form that Ontario has practised for a long time. In advance of a budget in Ontario, the province invites people in to offer advice. Ontario does not, in return, offer opinions as to what will be in the budget.

That kind of interchange did take place. I have been asked to offer certain advice, opinions on the way the economy is going. I have been glad to answer the specific questions in confidence, as they are in other cases. Whether they will be listened to, I will know tonight.

Mr. Cassidy: Supplementary: I haven't heard the minister say that the consultation differed materially from the former government. Given that the federal excise tax being proposed tonight is expected to take about $1 billion away from Ontario taxpayers, and given the estimates made by the province itself that the proposals on the excise tax on oil and gas will increase consumer prices by 2.2 per cent next year and will cut real growth by a full percentage point in 1980, does the province have any plans to offset the destructive economic impact of that federal budget on the Ontario economy?

Hon. F. S. Miller: Mr. Speaker, the question is still hypothetical.

Mr. Martel: Sounds like energy all over again.

Mr. Speaker: Does the honourable member have a supplementary?

Mr. Cassidy: Yes, Mr. Speaker. Since the province has termed the excise tax proposals "a retrograde step" and since the province has stated specifically that the excise tax would undermine the extension of Canada's national market and would expose our economy to further import penetrations as well as bearing particularly hard on poor families and on people in rural areas, what good is it to have a Conservative administration in this province and Tories up in Ottawa if they can't agree about anything and if the policies that come out are so destructive for the people of Ontario?

Hon. F. S. Miller: I will be able to tell whether any of the insinuations made in the conclusions are right. All of the first parts of the honourable member's statements were correct.

Mr. Peterson: Supplementary: Given the unemployment figures that are out today indicating an increase of some 26,000 or 27,000 in the unemployed in this province, and given this certain whack that the federal Treasurer is going to give to the economy of this province tonight with higher interest rates, higher oil prices and everything else, what plans does the Treasurer of Ontario have to offset that program which is going to be introduced tonight? What is he going to do to stimulate this economy? What is he going to do about the unemployment in this province?

Hon. F. S. Miller: I am not sure where the honourable member gets his figures, but the actual number of unemployed in Ontario during November was 12,000 fewer than a year ago.

The actual rate of unemployment dropped from 6.6 per cent last month to 6.1 per cent. The decline in unemployment of the young people dropped from about 12.3 per cent to 10.8 per cent. Those figures are encouraging and, to some degree, surprising.

INDEPENDENT GASOLINE DISTRIBUTORS

Mr. Cassidy: I have a question of the Minister of Energy. In view of the announcement by Gulf Canada Limited that it is going to cut back gasoline supplies to independent distributors who buy from Gulf over the course of the winter, is the minister not concerned that this may represent an attempt by Gulf to use oil shortages and gasoline shortages as a means of cutting independent distributors out of the gasoline market?

Is the government investigating this action by Gulf? What action does the government intend to take to protect these independent dealers and the consumers who have benefited from the competition they have brought to the market?

Hon. Mr. Welch: Mr. Speaker, knowing that the NDP research would dig out this information from the morning paper, I was attempting to get some information in time for the question period today. I have been advised initially and it's my understanding that the company is simply going to hold its independent dealers to the actual amount of their liftings, I think they call them. It is what they have been actually picking up, rather than necessarily cutting them off completely. But I have asked for some more information on that subject.

The honourable member will also know that about a week ago he drew my attention to his concerns in connection with the independents; and I have been following up on that. I have an appointment in my office, I think a week yesterday, with a new organization of independent petroleum marketers of the province that's being established. I will have an opportunity to discuss with them, first hand, the concerns mentioned by the honourable member along with those expressed in the correspondence he sent along to me following that question period.

Mr. Cassidy: Supplementary: Since Gulf has invoked force majeure in its contracts with the independents, which effectively now gives Gulf the power to cut them off completely from obligations they thought they had assured in writings through contractual arrangements, would the minister not agree that the situation potentially is much more serious than just holding them to their deliveries of last year?

In addition to the meeting he has promised, what action will the government take in order to prevent multinational oil companies from squeezing independent distributors or shutting them out of the market completely using as a pretext the current oil supply situation?

Hon. Mr. Welch: I wonder if I could just repeat, for purposes of the record, the information I have received. I am advised that the action taken by Gulf, the company referred to in the original question and the supplementary, was to control the liftings of the independents to their average over the last 18 months. It was felt by that company such a move was fair in that it reflected a normal or a more normal growth situation.

[2:45]

That's the information I received when I directed the question. If either the honourable member or the member for Carleton East (Ms. Gigantes) has other information, obviously I want to have it, because in response to the second part of the supplementary question I agreed with the honourable member when he raised this question a week ago that the activities or the involvement of independents was very important.

During the course of meeting with chief executive officers of oil companies I have specifically raised questions with respect to their relationships with their independents. In no case have I found any company admitting they were doing anything except honouring their contracts with the indepen-

dents who have been shopping around and who didn't have what would be defined in the markets as firm contracts because at that time the independents did not find it to their advantage to tie themselves down to firm contracts and thus not be able to shop around as far as prices were concerned.

It may be—and I underline the word "may"—that some independents now find themselves in a prejudicial position because they were not involved in firmer type contractual relationships with companies. Hopefully, next Monday when I meet with the organization representing the independents I will have the benefit of more up-to-date information from them on the basis of their own experience.

Mr. S. Smith: Supplementary: Since looking into this matter we have learned the force majeure refers to about 2,000 cubic metres per day which Interprovincial Pipe Line Limited has now had to reserve from Gulf. Instead of giving it to Gulf, it is now giving it to three independents, one in Toronto, one in Quebec and one in Montreal, the three divided equally.

Would the minister look into this situation to see whether it may have happened that oil which previously was reserved for Ontario has now, as a consequence of this decision, in some measure been reserved for another province? If so, would he be able to report to this House on the reasoning behind that and what the impact is on this province?

Hon. Mr. Welch: I have no evidence of that being the result but I will be very glad to investigate the matter as suggested by the Leader of the Opposition.

Mr. Cassidy: Wouldn't the minister agree Gulf is setting a very dangerous precedent when they say they will hold their independents down to the supplies of the last 18 months and therefore reserve any market growth, albeit, modest, for their own company stations? Wouldn't the minister agree that once Gulf starts to discriminate between independents and its own stations in that way the stage is set for further discrimination to the point where the independents can be driven out of business?

Hon. Mr. Welch: Mr. Speaker, I think the final part of that supplementary would be an unfortunate result. As I pointed out, the government was very quick to respond affirmatively to the recommendations in the Isbister report which saw the involvement of the independents as a very healthy part of the activities in the marketplace in so far as this area was concerned. I made it quite clear in talking to the companies that I attach a great deal of importance to that as well.

I will perhaps be in a much better position to have a first-hand account of what is actually going on once I have had a talk with the independents themselves, now I have completed conversations with the oil companies.

OPP SERVICES

Mr. Roy: Mr. Speaker, I have a question for the Solicitor General. I keep wanting to say acting Solicitor General, but I guess he's decided it's full time in both.

My question relates to a matter which I am sure has been brought to the minister privately by the member for Prescott and Russell (Mr. Belanger). Given that the Solicitor General made the statement last May or June that he intended to increase the complement of OPP officers in this province by 150, and given that in response to some of my colleagues recently he has indicated he did not increase the number of OPP officers, would the minister look at what I consider to be a very serious situation involving the OPP detachment in Rockland? This detachment, as the Solicitor General knows, has a large part of eastern Ontario under its jurisdiction and has not had any increase in complement since 1977, in spite of the fact the number of calls made to the detachment increased in 1978 by 60 per cent and in the first six months of 1979 has increased by 80 per cent.

Would the minister look at that problem and advise us whether he intends to increase the complement of officers in that area, in view of the fact, as well, that there is a very serious traffic problem, not only on highway 417 but still on the old highway 17?

Hon. Mr. McMurtry: I was almost tempted to say I would be delighted to reply to the acting member for Ottawa East, but I thought that would be unkind.

Mr. Roy: I tell you I am not an acting member. Look at the majority I get there.

Interjections.

Hon. Mr. McMurtry: I will certainly be happy to look into that matter because it concerns me. I will review it and discuss it with the Treasurer.

Mr. Roy: Supplementary: Would the minister, as well, consider the fact that not only has there been the increase I discussed with him in the original question, but under the jurisdiction of the OPP in that area there is also the township of Cumberland which has had one of the highest urban growths in the

area? Would he consider that, as well, when considering the additional officers needed in that area?

Hon. Mr. McMurtry: I am quite happy to do that. My concerns with respect to OPP resources are well known, and I will continue to express them.

Mr. Mancini: Supplementary: Concerning the hiring of new OPP officers to police certain municipalities, would the minister reconsider the policy of the freeze on OPP officers, in the light of the fact that there are some municipalities, specifically the municipality of Colchester North in my township, that would pay directly for the services of the OPP? Why can't the minister keep his promise of hiring the 150 OPP officers he made grand statements about some time last year?

Hon. Mr. McMurtry: No, I never made any such promise. I indicated that these additional officers are needed. The member's own leader belittled the statement. His own leader showed total contempt for the OPP in his response on that occasion.

Interjections.

Mr. S. Smith: Withdraw that.

Mr. Speaker: Order. A provocative statement like that is deserving of some kind of reply.

Interjections.

Mr. S. Smith: On a matter of privilege, I would ask the Solicitor General to withdraw the comment, since he knows the comments I made at the time showed contempt for his attempt to grab headlines in asking for officers the cabinet had not even given him and did not give him later. My comments in no way indicated contempt for the OPP. I have a high regard for the OPP, but very little regard for the minister's headline-grabbing tactics.

Hon. Mr. McMurtry: I stand by what I said.

Interjections.

Hon. Mr. McMurtry: Thank you. All I can say is if the Leader of the Opposition supports the OPP, he has a very strange way of expressing his support.

REFUGEE ASSISTANCE

Mr. Lawlor: Mr. Speaker, you will never know how painful it was to have been away.

(Laughter)

Mr. Lawlor: I thought of all of you at least once a day.

I have a question for the Premier. While I was away the Clark government reneged, as I understand it, on its promises with respect to the Vietnamese boat people. What is the Premier's policy and the position of his government with respect to doing something to alleviate the deplorable conditions, particularly in those camps in Hong Kong?

Hon. Mr. Davis: Mr. Speaker, the government of this province has encouraged a number of people in the voluntary agencies in those areas of the province where people have expressed a very legitimate and personal concern, and we will continue to do so. The government of Canada, in what is a difficult area, has had a policy whereby support and encouragement has been given, probably on a scale greater than most other jurisdictions, including the United States.

Mr. Bolan: Would the Premier give assurance to the House that further roadblocks will not be placed in the way of individuals within this province who wish to assist families coming from southeast Asia?

Just to give the Premier a brief example, because this is what people are expressing concern about, those individuals are now required to pay their air fare—initially, they didn't think they would have to—and there's a complicated situation concerning who can act as a backup family. These are matters people are genuinely concerned about. Would the Premier assure us these roadblocks can be removed?

Hon. Mr. Davis: Obviously I can't give that sort of assurance. We don't control that part of the program in any way.

Mr. R. F. Johnston: Mr. Speaker, I wonder if the Premier will at least extend the province's present program, which includes only children 13 years and over? Will that program be extended to bring over refugee children under the age of 13, who have been identified in many camps in various parts of southeast Asia?

Hon. Mr. Davis: On a matter of this kind I can't give, on this particular occasion, any such commitment. This government has demonstrated genuine concern on this matter, as I'm sure all members have. It is primarily a matter for the government of Canada, I'm sure we all appreciate that, but we have been supporting those individuals and groups who are anxious to help in this very difficult situation.

FISH STOCKING PROGRAM

Mr. Bolan: To the Minister of Natural Resources: Could the minister explain to this House why some of his ministry officials are going around Ontario making speeches to

gain public support to stop the stocking of salmon in Lake Ontario? I refer specifically to a speech made by John Byrne, head of the hatchery program to the Conservation Council of Ontario. Is he not aware this salmon-stocking program is a program of significant importance, unlike the splake program which has been going on for 20 years in Georgian Bay and has resulted in not one single splake being reproduced successfully anywhere in the Great Lakes? Should he not be intensifying the stocking program instead of having some of his ministry officials attempt to dismember it?

Hon. Mr. Auld: I think the honourable member was here when I made my statement earlier. As far as I am aware, Mr. Byrne is not going around making speeches such as the honourable member suggests. I believe he did appear before the conservation council, or perhaps the Federation of Ontario Naturalists and several other organizations, to in effect point out the dilemma which we had in the case of the coho salmon with IPN.

I think I made it quite clear a few minutes ago that we're looking at it very carefully and by no means have come to any decision. I think if we had, I would know about it.

Finally, as far as splake are concerned, if the honourable member hasn't been there recently he ought to go to Owen Sound and hear how well—at last, I may say—the splake are biting up there. The fishermen are shoulder-to-shoulder in the snow.

Mr. Bolan: Supplementary: How long has the ministry known of the IPN problem? Is the minister not aware that other jurisdictions with salmon-stocking programs such as New York state and Michigan state, are continuing and expanding their salmon-stocking programs and do not regard IPN as a serious disease? IPN existed in the Great Lakes prior to the current salmon-stocking programs and the US states will continue with them regardless of whether the minister's program is discontinued or not. Is he not aware of this?

[3:00]

Hon. Mr. Auld: I hope I have enough time, Mr. Speaker. I am told that infectious pancreatic necrosis or IPN came from Atlantic salmon. Nobody knows exactly how it got into the Great Lakes. I know the salmon we would like to import for brood stock, the coho salmon from the Pacific coast, cannot be certified as disease-free because they have another disease—K—

An hon. member: KLM?

Hon. Mr. Auld: No, not KLM. It's a kidney disease and it's endemic apparently to the coho salmon from the west coast. The two states the honourable member mentions, New York and Michigan, have indicated that they are in sympathy and think that the idea of stocking only disease-free salmon would be a great idea, but they propose to continue stocking the ones they are now stocking which are not disease-free. That's the reason I said that it seems to me if we're going to do something about this, it's got to be a joint operation because the fish do not observe international boundaries and it's very hard to stop them from not observing international boundaries.

Mr. Foulds: Supplementary: Can the minister report to the House whether or not three groups have taken out injunctions against the ministry concerning destroying the stock of salmon they now have that are diseased? Can he give us any indication about whether or not the disease is communicable?

Hon. Mr. Auld: The answer to the first part is that I'm not aware of any injunctions. I don't know who would be served with the writs, but I'm sure I would have heard about them, providing such events had taken place.

I'm sorry, I've forgotten the second part of the question. I've been getting a good deal of advice over here.

Mr. Foulds: Is it communicable?

Hon. Mr. Auld: It is communicable between eggs and brood stock in the hatchery. We do not know how communicable it may be among other salmonoids, which include lake trout, speckled trout and brown trout.

Apparently it is a disease primarily found in that species.

Mr. Worton: Serve them in the dining room and let's find out.

Hon. Mr. Auld: It won't hurt you.

Mr. Gaunt: Supplementary: I'm glad to hear the splake are biting. More importantly, are the things reproducing?

Hon. Mr. Auld: Particularly at this season of the year I wouldn't want to be considered sacrilegious; on the other hand if they aren't reproducing then there are stars in the north, south, east and west.

ALGOMA CHILDREN'S AID SOCIETY

Mr. Wildman: I have a question of the Minister of Community and Social Services resulting from the publication yesterday of the October 31 telegram to him signed by the executive director and the assistant director of the Algoma Children's Aid Society.

Can the minister inform the House how he responded to their contention, based on

their professional judgement, that the CAS could not provide minimal level service to high-risk cases and that immediate action was necessary to "avoid potential disaster?" Further, what connection, if any, did his response have to the subsequent resignation of the assistant director?

Hon. Mr. Norton: I'll answer the second part first. To the best of my ability I know of no connection whatsoever between my response and the resignation of one of the employees of the children's aid society there.

In terms of the response, we have been in communication with the director and the chairman of the board of the society. In fact I trust my staff have been in further communication with them today, assuring them, as we have up to this point, that we will continue to make efforts in the immediate future to improve the support we are offering to that society so it can continue to maintain at least minimum levels of service and ensure minimal risk to the children who ought to be being served by the whole society.

Mr. Wildman: Supplementary, Mr. Speaker: Is the minister aware that the executive director, Mr. Hayes, has stated they are at least two people short of the required staff to provide minimum care and that he does not know what, if anything, the ministry's figure of 11.5 people required means?

Hon. Mr. Norton: I haven't had that specific discussion with Mr. Hayes, although there have been ongoing communications. As I said, I trust there has already been communication with him today to assure him the ministry will provide whatever degree of support is necessary to ensure the safety of the children involved.

FEDERAL BUDGET

Mr. Mancini: Mr. Speaker, my question is to the Premier. In view of the fact there are only a few hours left before we hear the federal Conservative budget, would the Premier take this last opportunity to inform Joe Clark that this government is strongly opposed to the increase in the excise tax, in view of the fact that the federal Treasurer said some time ago—while the Ontario Treasurer (Mr. F. S. Miller) was sitting right next to him—he had heard no complaints about the proposed increase of 25 cent per gallon in the tax on gasoline?

Hon. Mr. Davis: Mr. Speaker, unfortunately I didn't hear the latter part of the question. The honourable member might like to repeat it—television isn't here any more—I would like to hear the latter part.

Mr. Mancini: My question was will the Premier take this last opportunity available to him and inform Joe Clark that this government, in no uncertain terms, opposes the proposed increase of 25 cents per gallon in the excise tax on gasoline which we're going to hear tonight from the federal Conservative government?

Hon. Mr. Davis: Mr. Speaker, I have a feeling the budget is printed and very little will change between now and eight o'clock this evening.

I can only say to the honourable member that we have used every opportunity to register our objections to an increase in the excise tax, which was initiated by the member's former friends. We made our point when they introduced the concept of this excise tax several years ago and our point of view has not changed.

Mr. Mancini: Could the Premier table in the House—if he would only listen to the question I wouldn't have to repeat it—correspondence he has had with Charles Joseph Clark about the excise tax and his opposition to it? Will the Premier stop trying to protect his friends in Ottawa and start protecting the consumers of this province?

Hon. Mr. Davis: Mr. Speaker, I'm sure the honourable member has already read the submissions we have made, including the presentation to the first ministers' meeting of some three weeks ago. If he will look about halfway through that presentation he will find it. If he would like to reread it before eight o'clock this evening, he should feel free to do so. My advice to him, though, is to fill up the tank of his car before this evening in any event.

GAS AND OIL SUPPLIES

Ms. Gigantes: Mr. Speaker, I have a question of the Minister of Energy. Is the minister aware of the recent activities of Ultramar Canada Limited, namely its claim that it does not now have the expected six-month supplies of crude for its Quebec City refinery and that it can no longer provide the expected amounts of petroleum products to suppliers?

Hon. Mr. Welch: Would the honourable member repeat the question. I didn't hear the first part of the question.

Ms. Gigantes: I'm asking about the operations of a company called Ultramar Canada Limited and the statement by that corporation that it does not have the expected supplies of crude for its Quebec City refinery.

I'm asking the minister about this to know if he knows what implications this will have for Ontario suppliers of gasoline and heating oil.

Hon. Mr. Welch: Mr. Speaker, I must admit I don't have that information. Within the last few days I have had an opportunity to meet with the president of that company and he didn't share with me any serious situation such as the one to which the honourable member makes reference.

Ms. Gigantes: Supplementary: Could I ask the minister then, whether he will ask specifically, when he is having meetings with the independent suppliers, about the results of Ultramar's activities; and perhaps take the opportunity to speak once again to the president of Ultramar?

Hon. Mr. Welch: I'm sure it hasn't gone unnoticed that the member has now, in her supplementary, changed the question to talk in terms of the independents who may have been looking to Ultramar. That's not the way the original question was framed. She talked with respect to supplies available to the company for its own operations. We have to have some consistency with respect to the question and supplementary question here.

TOLEDO SCALE DIVISION

Mr. Ruston: I have a question of the Minister of Industry and Tourism. Is he aware of the recent announcement by Toledo Scale Division that they're ceasing the manufacturing of scales in the city of Windsor and are going to import highly technical electronic American scales? Is he doing anything to encourage Ontario and Canadian industry to use the electronic capacity of Ontario and Canada instead of importing from the United States?

Hon. Mr. Grossman: I don't happen to have the information on Toledo Scale with me. I have a fairly recent update on layoffs and terminations. I will be pleased to look into the situation with regard to Toledo Scale and report to the member.

Mr. Ruston: I have a supplementary of the Minister of Labour. Would he satisfy himself that those being laid off at Toledo Scale will have their pensions protected and have been given adequate notice of the layoffs?

Hon. Mr. Elgie: Mr. Speaker, I'll take the question as notice and report to the member.

CHRONIC-CARE CHARGES

Mr. Conway: Mr. Speaker, my question is of the Minister of Health; it concerns the chronic co-payments charge. When the minister introduced that plan earlier this year he indicated his desire to do so in all fairness to all concerned. I am wondering, in light of a number of instances which have come to my attention, whether discrimination exists in relation to a portion of his announcement; I quote:

"For exemption purposes, spouses receiving old age security, spouse's allowance or benefits under the Ontario Guaranteed Income Act are not considered as dependants." That disqualifies the two-member family in the senior citizen category. Will the minister review that and equalize the treatment so any discrimination against senior citizens caught in this particular situation ends?

Hon. Mr. Timbrell: We have ensured that the system right across the whole spectrum of long-term care—homes for the aged, nursing homes, where the charges have applied now for seven or eight years, and chronic care—is applied the same, although in the chronic-care units, because in the main we are dealing with shorter stays in many cases, there are provisions for various other exemptions to be applied for through the administrator of the home regardless of the source of income.

At this point we only have about six months experience. I think it would be premature to say we're going to change it, but we are keeping it under very close scrutiny to try to make sure that it is applied as fairly as possible. However, to suggest that we would move away from the principle of eliminating the double subsidy, I certainly wouldn't want to leave that impression at all.

Mr. Conway: Supplementary: The minister must clearly understand that there is discrimination at present among those two-member families in so far as the $15,000 of aggregate annual income is concerned. Surely in the interest of fairness those people who have a dependant qualifying under the senior citizen categories enumerated deserve the same treatment as those who do not qualify in that area; surely he must be aware that this is having a very serious and negative effect upon a considerable number of seniors in this province. Can he further indicate whether or not it is his ministry's intention to tell the people involved in this category they should sell their homes to meet the requirements?

Hon. Mr. Timbrell: Mr. Speaker, I remind the member of the rationale, which was explained and discussed at length in the select committee and elsewhere before the introduction of this measure; and that was the

concern that incomes are provided to maintain certain individuals in the community, but these individuals from time to time, in effect become residents of long-term care facilities. The principle, which I believe he supports, is that the state shouldn't be paying twice: first in the form of an income to maintain the individual; and second to pay what can in the chronic-care hospital be anywhere from $70 to $100 per day, and sometimes more, to maintain them.

As the member knows, the provision is that taking the bare minimum income—OAS, GIS and Gains—and deducting the comfort allowance, we also then provide to the spouse still in the community the full senior citizens' tax credits, along with the various other benefits that accrue to senior citizens, which are all designed to help the individuals stay in their homes.

[3:15]

We also look to the families to carry their responsibilities, since they ultimately will be the beneficiaries of the homes to which the member refers, and any estates attaining thereto.

WINDSOR HIGHWAY CONSTRUCTION

Mr. Bounsall: I have a question of the Minister of Transportation and Communications. Is the ministry aware that local district Ministry of Transportation and Communications officials have asked the city of Windsor to indicate which phase, 1C or 2C, has a higher priority in this coming year for ministry funds? Would the minister confirm that both phases will be funded in 1980, as planned, so that both of these very important sections can be constructed on schedule?

Hon. Mr. Snow: No, I will not confirm that, because yesterday I wrote a letter to Mayor Weeks advising him that both contracts would not and could not go ahead next year on the west end of the E. C. Row Expressway.

As I am sure the honourable member knows, there are several major contracts to be carried out on the east end of the expressway. I believe the tenders close tomorrow for one. There are two major contracts to be awarded there very early in 1980, probably in February or March. With those three contracts alone, that will mean there will probably be over $20 million-worth of construction work to put in place in that particular section of the E. C. Row during the 1980-81 fiscal year.

In addition to that, one of the contracts at the west end will be proceeded with during the year. It has been in our plans for a number of years. The second contract will have to wait until 1981.

Mr. Bounsall: Supplementary: Is the minister not aware how necessary both those west end pieces are? One will service the traffic between the bridge and the new Ford engine and casting plant, which starts to operate in early 1981. The other services the new Maple Leaf Monarch mill, one of the few plants to come into the city not associated with the auto industry. One of those two plants is going to be seriously disadvantaged in truck traffic not being able to get to it if both phases are not completed.

It is very difficult, if not impossible, to choose which of the two industries the ministry is going to discriminate against in terms of not building one section of those two phases.

Hon. Mr. Snow: I don't think there is anything more I can add. Over $30 million of additional road construction work has been carried out in the Windsor area in this 1979 season, and the jobs I mentioned will continue in 1980. That is in addition to the one contract at the west end that will proceed. It will proceed in rotation, as has been planned, to extend the expressway in a rational manner. There are just not the funds available to do any more.

Many other projects in the province are in the same position. I could give the member a list as long as his arm, or maybe even as long as mine, of other projects that have had to be delayed in the same way.

CHICKEN QUOTAS

Mr. Riddell: I have a question of the Premier. Since the chicken producers of Ontario are appealing the provincial quota allocation, which is most inequitable, and is one which was set up in the early 1970s with the former Minister of Agriculture favouring Quebec and its quota allocation as a compromise because of the chicken-and-egg war going on at the time, could the Premier tell me whether the Minister of Agriculture and Food (Mr. Henderson), if he has recovered from his illness, is going to go down to Ottawa to support the case that is going to be presented by the chicken producers to try to get that quota at the 314-million pound mark, rather than the 278 million pounds which they have been allocated, and which I say is very inequitable.

Hon. Mr. Davis: Mr. Speaker, just so the record is abundantly clear for those who read Hansard carefully, the member was referring

to the former federal Minister of Agriculture.

Mr. Riddell: No. It was the provincial minister.

Hon. Mr. Davis: Oh come on, it was the federal ministry which did it.

Mr. Riddell: It was the provincial minister who did it.

Hon. Mr. Davis: The member for Huron-Middlesex may not think I know much, but I know a little bit about this, and it was the federal government who made this determination. Don't try and clothe it any other way, it was the former federal Minister of Agriculture.

With respect to the question asked, I will consult with the Minister of Agriculture and Food and we will have an answer for the member on Thursday.

Mr. Riddell: I have a supplementary, and I would also like to clarify this matter for the Premier. It was the former minister, a good friend of mine, Bill Stewart, who was quite prepared to accept the Ontario allocation at that time because there happened to be a price war going on with Quebec in connection with eggs.

My supplementary is: Since there is a move underfoot to combine Quebec and Ontario into one market area, which Ontario is very much against, does the Premier know whether the Minister of Agriculture and Food is going to object to one market area for Quebec and Ontario and keep Ontario in one market area of its own?

Hon. Mr. Davis: Mr. Speaker, I don't know anything about moves underfoot. I must confess the honourable member is always closer to those things than I am. I can only repeat what I said: I will discuss this with the Minister of Agriculture and Food. I really think he may be here on Thursday. I am told he is recovering and I expect he will be here Thursday. I know the member in particular will be delighted to see him.

BLUE CROSS STRIKE

Ms. Bryden: Mr. Speaker, I have a question of the Minister of Labour with regard to the Blue Cross strike, now in its eleventh week.

Is the minister aware that last week the company granted all the employees who are crossing the picket line the full wage and benefit increases in the last company offer before the strike began, and posted the jobs of the striking employees in the premises?

Will the minister bring in amendments to strengthen our labour laws to outlaw this kind of unfair strike breaking against employees who are simply trying to assert their democratic rights to organize and bargain collectively?

Hon. Mr. Elgie: With the greatest respect, Mr. Speaker, I would submit to the member there is already a mechanism for parties to make submissions about unfair bargaining or unfair labour practices to the Labour Relations Board. She has seen that demonstrated very effectively last week in the Radio Shack case. It is now possible to determine those issues before an appropriate judicial or quasi-judicial body.

Ms. Bryden: I understand the labour law is not specific in outlawing this particular kind of practice of giving the benefits during the strike. In addition, does the minister know the company at the same time has advertised unlimited clerical opportunities in the paper. Those presumably are the jobs of the striking employees? I don't believe that is outlawed by the law either.

Hon. Mr. Elgie: I will be pleased to review the matter the member has presented and report.

GAS AND OIL PRICES

Mr. Bradley: A question of the Premier, Mr. Speaker. In light of the fact the present Progressive Conservative government in Ottawa appears to want to give in to the oil companies at every turn, would the Premier assure us he would use his good offices as the Premier of Ontario to help persuade the oil companies not to charge an additional 25 cents, if that is the price, excise tax on those supplies of fuel that are presently in the service stations? Would he also use his good offices to attempt to persuade the oil companies not to use this increase that is coming tonight as an excuse to put on an additional two or three cents a gallon and rip off the consumers of the province?

Hon. Mr. Davis: Mr. Speaker, I really can't believe the member for St. Catharines would advise me to counsel the companies to break the law. If a federal excise tax is imposed, whatever hour it is imposed, people have to pay it. That is a reality, that's something I hope even the honourable member will understand. I know it's hard, but that happens to be the fact. I can't advise anybody not to pay a tax and I would advise the member not to advise anybody not to pay the tax.

With respect to the second part of the question, which has a little more logic than

the first part of the question, if there is a price increase in crude oil my guesstimate—and it's only a guesstimate—will be that that price increase will be as of January 1, as per the existing agreement. If that is the case, if it is a dollar, it means the price of gasoline per gallon related to a price increase of crude, will take place on March 1, and that figure will be approximately four cents. That has been the traditional pattern and I would expect that will continue.

Mr. Bradley: Supplementary: Considering the fact that at least one oil company at the present time has announced an increase, supposedly because of increased costs, and other oil companies are now saying they may be doing so in the near future, perhaps before January 1, would the Premier not agree if this is implemented this week or next week it is a case of taking advantage of a situation as an excuse to increase the prices unnecessarily?

Hon. Mr. Davis: Mr. Speaker, I am the last one to defend the oil companies, but I hope the honourable member understands—

Mr. Warner: Usually the first one.

Mr. S. Smith: You are prepared to let them have the first two dollars as their share.

Hon. Mr. Davis: My correspondence would indicate they are quite aware—

Interjection.

Hon. Mr. Davis: What is the honourable member interrupting about?

Interjection.

Hon. Mr. Davis: I was just asking what he was interrupting about, I didn't ask him to say anything.

Is it really true the honourable member has a full length mirror in his office to practise for television at three o'clock? Is that really true? Is it?

I would be upset if January 1 brought more than one dollar and I know nothing about what is going to be in the budget, but I think it will be one dollar for January 1.

What was the question?

Mr. Speaker: The time for oral questions has expired.

REPORT

SELECT COMMITTEE ON HYDRO AFFAIRS

Mr. MacDonald from the select committee on Hydro affairs presented an interim report on the safety of Ontario's nuclear reactors and moved its adoption.

Mr. MacDonald: Mr. Speaker, before I move adjournment of the debate, may I inform the House that I wish to be able to table, on behalf of the committee, another report on another topic of Hydro affairs on Thursday of this week. I understand from my House leader, that the debate is scheduled tentatively for a week from Thursday night on both of these reports.

On motion by Mr. MacDonald, the debate was adjourned.

MOTIONS

BUSINESS OF COMMITTEES

Hon. Mr. Wells moved that the estimates of the resources development policy field be withdrawn from the standing resources development committee and be referred to the standing social development committee.

Motion agreed to.

SITTINGS OF THE HOUSE

Hon. Mr. Wells moved that on Thursday, December 13, the House will meet at 10 a.m., with a luncheon interval from 1 p.m. to 2 p.m. and with routine proceedings to be called at 2 p.m.

Motion agreed to.

PRIVATE MEMBERS' BUSINESS

Hon. Mr. Wells moved that private members' balloted items scheduled to have been debated on Thursday, December 6, be debated on Thursday, December 13; and further that the present ballot schedule be continued during the fourth session of this parliament.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that the time allocated for private members' public business on Thursday, December 20, be used for the consideration of government business.

Motion agreed to.

[3:30]

INTRODUCTION OF BILLS

METROPOLITAN POLICE FORCE COMPLAINTS PROJECT ACT

Hon. Mr. McMurtry moved first reading of Bill 201, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing Complaints by members of the

Public against Police Officers on the Metropolitan Toronto Police Force.

Motion agreed to.

OCCUPIERS' LIABILITY ACT

Hon. Mr. McMurtry moved first reading of Bill 202, An Act respecting Occupiers' Liability.

Motion agreed to.

TRESPASS TO PROPERTY ACT

Hon. Mr. McMurtry moved first reading of Bill 203, An Act to protect against Trespass to Property.

Motion agreed to.

LABOUR RELATIONS AMENDMENT ACT

Hon. Mr. Elgie moved first reading of Bill 204, An Act to amend the Labour Relations Act.

Motion agreed to.

Hon. Mr. Elgie: Mr. Speaker, honourable members will recall that the construction industry provisions of the Labour Relations Act were amended in 1977 to introduce province-wide bargaining in the industrial, commercial and institutional sector of that industry. Since then we have had a major round of collective bargaining in 1978 and we are looking forward to a further round in 1980.

The amendments being proposed are the result of recommendations made to me by the construction industry review panel. That group is comprised of senior representatives of labour and management in the construction industry. They have analysed the 1978 bargaining experience and have made their recommendations with a view to facilitating and stabilizing future bargaining in the industrial, commercial and institutional sector of the construction industry.

The bill being tabled contains three basic provisions and these, I believe, reflect a balanced trade-off between labour and management.

First, it provides for the extension of the bargaining rights of the various unions to which the provincial bargaining applies. As a result of this amendment, an employer who is currently bound by a provincial agreement in a portion of the province will be bound by the provincial agreement throughout the province. This will only affect employers and trade unions which are obliged to engage in provincial bargaining, and only in the industrial, commercial and institutional sector of the construction industry.

The remaining two provisions deal with the conduct of provincial bargaining. The first provision prohibits selective strikes or lockouts. In certain situations selective strikes were used during the 1978 round of bargaining and proved to be disruptive to good-faith bargaining.

The second provision imposes a 30-day limit on the ratification of memoranda of settlement and is intended to provide increased certainty as to the status of the bargaining relationship following completion of the negotiations.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I would like to table the answers to questions 366 and 367 on the Notice Paper. (See appendix, page 5395.)

ORDERS OF THE DAY

ENVIRONMENTAL PROTECTION AMENDMENT ACT

Hon. Mr. Parrott moved third reading of Bill 24, An Act to amend the Environmental Protection Act, 1971.

Ms. Bryden: I have a few comments on this bill as we consider it for third reading. This legislation was originally introduced in December 1978 in the form of Bill 209, and we had high hopes that it would solve the problems of the victims of polluters who were not getting adequate compensation and of society which is not getting cleanup, either enough or as rapidly as desired, due to weaknesses in our law and in the common law, and due to lack of a clear statement as to liability of the person who was the owner or the person in control of the hazardous substance.

We were hopeful this bill would solve problems such as what happened in the case of the PCB spill at Dowling or the gasoline leaking into the well water at Port Loring, and many other instances where the victims of pollution had not been compensated and society or the victims had ended up paying the bill. We hoped the bill would fully embody the principle that the polluter must pay, and that there would be strong incentives in the bill for those who use hazardous substances to take the responsibility for their use and liability for the risks that accompany such substances.

In March 1979 a new bill was brought in, somewhat revamped from the earlier one but still containing what were the basic principles of putting responsibility for cleanup

and for rehabilitation of the environment on the owner or the person in control of the substance, providing for the ministry to move in if the cleanup and rehabilitation was not done, to charge the polluter if he could be identified and finally to put liability on the polluter for compensation for loss or damage from spills.

On the second reading debate, I indicated, as some of my colleagues did, areas where we would like to see improvements in the bill. We were particularly concerned about use of the word "direct" when stating compensation would be provided for damage incurred as a "direct" result of the polluter's actions. We thought the word "direct" unduly limited the liability. We also thought the scope of the bill was somewhat limited by the exclusion of heat, noise, sound and radiation. We didn't like the very broad regulatory powers given to the minister under the bill, without adequate provision for some public input.

We didn't like one significant change between Bill 209 and Bill 24 which reduced the time limit for initiating an action for compensation from six years to two years after the person became aware of the damage. We also didn't like the lack of protection for farmers who may be handling farm wastes since it appeared as though they might be improperly covered by the terms of the bill.

Mr. Speaker, during the past eight months since the bill was introduced and referred to the resources development committee it has been radically changed. The minister has brought in many amendments and this has prolonged the process of dealing with the bill greatly; in fact the last amendments just came forward in November.

The amendments that came very late were the ones that required new submission from the people who were concerned about the bill; we had to have many of the people in two and three times because there were so many changes. It's unfortunate that because of this prolongation of the process the bill was not in place at the time of the Mississauga derailment. It might have strengthened the rights of claim there considerably; at least we hope it would have.

However some of the changes give rise to considerable worry about the strength of the bill and whether the principle that the polluter must pay has been departed from. For one thing, the minister has now added a compensation fund to be financed out of the consolidated revenue fund to the bill. The fund will not only provide compensation above a certain level to be specified by regulation, but it will also handle situations where the polluter cannot be found. While I support the principle of having an unsatisfied judgement fund I am somewhat concerned about the extent of the liability the province is taking on.

In addition, the bill does not contain any limit to the period over which the consolidated revenue fund will finance the compensation fund, even though the minister had indicated it would be limited to one year. When I moved an amendment that the limit should be written into the bill and that there should be provision for setting up some sort of contribution process from polluters and industry to finance the compensation, both those proposals were voted down by the Conservative and Liberal members of the committee.

Mr. Speaker, other changes that occurred during the eight month period appear to me to water down some of its liability sections, and this gives great cause for concern. First there was the removal of liability in the event of war, insurrection, terrorism, or from events that are due to a natural phenomenon or to the actions of a third party over whom the owner or person in control has no control. Some of these exemptions from liability can be supported, perhaps, because of the difficulty of determining the liability and the difficulty of determining insurance rates. However, they also lend themselves to considerable differences of interpretation—just what is terrorism, just what is a natural phenomenon of an inevitable nature; therefore I'm somewhat reluctant to see those exemptions written into the bill as a sort of afterthought until we've had some experience as to what the courts would consider liability and what they would consider defence.

[3:45]

Another change in the bill that may weaken the liability placed on the polluter is the adoption of a phrase which was virtually proposed by the Canadian Manufacturers' Association. Association representatives spoke several times to the committee and were very concerned about the liability imposed by the bill. One can understand this. They use a great many hazardous substances in their operations and are interested in keeping the liability as small as possible.

But as many people in the committee said, they reap the benefits of using these hazardous substances and they make the choice of which ones to use. The public has little or no control over those decisions, which is an argument that they should be liable.

The clause the Canadian Manufacturers' Association would like to have added would say that the polluter is not liable if he has taken all reasonable care to avoid the particular event. The minister's amendment virtually says the same thing. It lets the polluter off if he "establishes that he took all reasonable steps to prevent the spill."

I moved that this last clause be struck from the minister's amendment, but both the Conservative and Liberal members of the committee voted against my motion. The inclusion of this phrase greatly weakens the liability clause in the bill. We'll have to see how the courts apply this, how they interpret that phrase. If my misgivings are well-founded we will have to consider tightening amendments very soon.

The bill has been further watered down by striking the word "absolute" from the original clause in the bill which says, "liability under subsection 2 is absolute and does not depend on fault or negligence."

In my opinion, that clause was the guts of Bill 24. It was the chief section of the bill required to put liability on to the owner or the person in control, and it was the clause which would have provided the incentive for users of hazardous substances to take the utmost precautions, to develop safe methods of transportation and handling and to use the least hazardous substances. Without the word "absolute" the section is much weaker, in my opinion.

According to the minister, the addition of the exemptions for war and terrorism and so on I mentioned made it improper to use the word "absolute" when defining liability. We do have a precedent in the federal Fisheries Act which says "the liability of any person" —I'm dropping out some words—"is absolute and does not depend on proof of fault or negligence, but no such person is liable"— and I drop out some words—"if he establishes that the occurrence giving rise to the liability is wholly caused by an act of war . . ." et cetera. In other words, it's possible to state in the legislation that the liability is absolute except for specified exemptions mentioned in the legislation.

If the word "absolute" is retained, a much greater emphasis is put on the nature of the liability you're trying to establish when it comes to the courts for interpretation.

Unfortunately, my amendment to the minister's amendment striking out the word "absolute" was voted down by the Conservative and Liberal members of the committee. I had moved that the minister's amendment striking out the word should itself be struck out. We lost a signal to the courts about how tough we wanted them to be on the question of liability generally, except for the exceptions mentioned in the bill.

Other amendments which the NDP members of the committee moved to improve the bill included the following: first, one calling for a provision for class action against polluters to establish liability for compensation—

Mr. T. P. Reid: Mr. Speaker, on a point of order: I don't think anyone wants to restrict debate, but surely these matters have been gone over. We have had a committee on this; we have had the hearings. I really don't think it is appropriate on third reading that we go over everything all over again.

We have a procedure here by which we deal with these matters if there is something that perhaps was left out or forgotten, but to regurgitate all over again what happened in the committee and pound our breasts and carry on I don't think is appropriate. I would ask for your ruling as to whether or not what the honourable member is speaking about in fact is in order at this time.

Mr. Foulds: Mr. Speaker, if I could speak to that point of order, we had a precedent last night on one clause of a bill. A member of the Liberal caucus spoke for approximately an hour, and some of us felt that speech should more appropriately have been delivered on second reading or on leadoff to the estimates.

Mr. T. P. Reid: You could have gotten up on a point of order and suggested it.

Mr. Foulds: I would have thought that in the last few days of the Legislature a certain goodwill would permeate the benches on all sides.

Mr. Deputy Speaker: Order. The member for Port Arthur is referring, of course, to something that took place in committee; it did not take place in the House. The member for Rainy River makes a good point, and I know the member for Beaches-Woodbine will confine her remarks.

Ms. Bryden: Mr. Speaker, I'm simply trying to indicate the difficulties I have in deciding whether to vote for third reading, because the improvements I had hoped to see in the bill are not there. There is no provision in the bill for class actions, and my amendment to add them was defeated by Conservative and Liberal members on the committee.

Another amendment calling for prepublication of regulations and a 60-day period for public comment on them was also defeated by the Conservative and Liberal members, although I will concede that the minister did give a commitment to do just that.

He seemed reluctant, however, to have it written into the legislation, although the Ontario Securities Commission now goes through that process and both the United States and Britain do have pre-publication and public comment on regulations.

Another amendment we were disappointed was not accepted was the return to the original clause in Bill 209 for a six-year limitation on actions.

Mr. T. P. Reid: Mr. Speaker, I rise again on a point of order. I can only repeat what I said before. The member who is speaking has been on this now for almost half an hour. She is repeating exactly what has already happened and what we've gone through in regard to the bill. If she likes, we will all admit her concern about this bill. Lots of us have concern, but I say to the Speaker that the member's remarks are completely out of order and I think the question should be put.

Mr. Martel: Mr. Speaker, I wish my friend would learn something about the rules of the Legislature. The standing rules say that people can comment on third reading, in fact that more than one member can comment on third reading. If my friend is prepared to study the rules and make a legitimate point of order then we're prepared to listen, but if he isn't prepared to listen to the rules, or learn the rules, then I suggest he shuts up, because we sat in here last night—and I heard him intervene on my colleague twice—we sat in here last night and went through a tirade from the member for Nipissing (Mr. Bolan) for an hour on what should have been a second reading speech which he didn't make, but which he delivered on an amendment to a bill last night when he spoke for an hour.

We didn't object. We thought it a little funny that he would make his speech in that way, but now I'm sorry we let him go. We had a legitimate complaint about that but we didn't make it. The member doesn't have a legitimate point of order according to the standing rules, so I suggest he should refrain from interfering, because all he is going to do is take a lot more time of the House than is presently occurring.

Mr. Eaton: You fellows would never do that, would you?

Mr. Martel: I didn't say that at all. I'm prepared to take as long as the member wants in discussing this matter. But my friend will recall last Thursday that it was he who refused to give this House permission after an agreement to go back to committee of the whole with this particular piece of legislation.

Mr. Eaton: And I will say to the member I am proud of it, or we would be having every one of those amendments over again.

Mr. Deputy Speaker: Order.

Mr. Martel: Well, we got my friend up in a hurry didn't we. I might indicate that the House leader was prepared—

Mr. Eaton: Just going through what she's going through now, repeat and repeat and repeat—

Mr. Martel: I might, for my friend, suggest to him that he should refrain from nonsensical statements, because his friend, the Attorney General (Mr. McMurtry), brought three bills in today and the member is going to need all kinds of time and co-operation to get those bills through. That sort of approach isn't going to get him anything.

Mr. Eaton: What are you trying to do, threaten?

Mr. Lane: Does the member threaten?

Mr. T. P. Reid: Mr. Speaker, on a point of order: I remind my friend—

Mr. Martel: Do you never use them? Oh! Go home.

Mr. Deputy Speaker: Order.

Mr. T. P. Reid: Mr. Speaker, I rise on a point of order.

I would remind my friend who never adds any kind of reasonableness, rationality, and certainly no respect for the rules of this House when he rises to speak, that statements like "sit down and shut up," I respectfully suggest, Mr. Speaker, do very little for the dignity and decorum of this House.

Mr. Martel: Oh! Don't hand us that nonsense.

Mr. T. P. Reid: I often wonder about that member who used to be a school teacher and has classes in the gallery listening to that.

Mr. Deputy Speaker: Order, please.

Mr. T. P. Reid: I would draw your attention to the standing rules that deal with it.

Mr. Foulds: Cite the standing order.

Mr. T. P. Reid: "In a debate, a member shall be called to order by the Speaker, if he . . . ," or she " . . . speaks twice to a question, except in explanation . . . ," et cetera.

Number three under standing order of rules of debate 19: " . . . persists in needless repetition or raises matters that have been decided during the current session."

I say to you, Mr. Speaker, we all try to be fair, but I think we've been more than patient

with that particular member. I would suggest to the member for Sudbury East—

Mr. Martel: Will Mr. Speaker rule the member out of order?

Mr. Mackenzie: Mr. Speaker, the member has now taken 25 minutes.

Mr. Martel: The member doesn't even have a point of order.

Mr. T. P. Reid: —who knows less about the rules and certainly applies them less than anybody else here—

Mr. Deputy Speaker: Order.

Mr. T. P. Reid: —that he, in fact, read the rules of the House.

Mr. Foulds: Mr. Speaker, on the point of order. I think the member for Rainy River has just defeated his case, because the rule that he cited says the member cannot engage in needless repetition.

There has been no speech on third reading whatsoever, and every one of the points that my colleague, the member for Beaches-Woodbine, is making are new points in this debate on third reading and are absolutely in order.

Mr. Riddell: On the point of order, Mr. Speaker. These amendments that the member for Beaches-Woodbine is referring to have all been debated at some length in committee. She is bringing them up again on third reading, which is certainly unnecessary. This business of making reference to opposition members, or the Conservatives and the Liberals voting against such amendments, to my way of thinking is completely irrelevant in this discussion on third reading. I say she is repeating herself. It has all been gone through in committee and I don't think we should be wasting time listening to this on third reading.

[4:00]

Interjections.

Mr. Deputy Speaker: Order. A point of order has been raised and there has been considerable discussion. The question before the House is shall the bill be read a third time. The honourable member for Beaches-Woodbine will continue her comments and remarks and I hope keep them within that context.

Ms. Bryden: Mr. Speaker, there is one more question regarding the third reading which should be considered by this House, and it arises out of something that has happened since the bill was introduced for second reading and debated in this House, the Mississauga derailment.

We discussed in committee the question of whether waivers should be outlawed. I think the members, in considering this third reading, should very seriously consider the refusal of the committee to outlaw waivers. In spite of the Attorney General having expressed considerable doubts about the necessity of the Canadian Pacific requirement that people should sign waivers, the Attorney General came before the committee and suggested that members vote against my amendment proposing that waivers be outlawed.

Mr. Speaker, I will now go on to the reasons I have come to the decision to vote for the bill on third reading, in spite of the failure to improve it as much as I would have liked.

First of all, we do want the cleanup provisions which will ensure prompt cleanup and the rehabilitation of the environment. The bill imposes this as an absolute liability on the owner or person in control, and I think that is a step ahead. It also authorizes the minister to move in, if the polluter does not act or cannot be identified, or to designate local government or others to move in and charge the costs to the polluter if he can be found.

I hope that the act really strengthens the rights of victims to compensation beyond what the common law now provides. We will not know if this is really the fact until we get some judicial rulings on it and have some experience with the settlement of claims generally. I am prepared to monitor this working of the act and I hope it will be advantageous for the victims of pollution.

I am disappointed that it isn't as tough as it started out to be and I am worried that the consolidated revenue fund may be stuck with the costs of the compensation fund for more than a year if the minister does not get his proposed alternative method of financing the fund.

I am concerned about the number of people who may sign away their rights to future compensation in Mississauga when receiving out-of-pocket evacuation expenses, because I feel that evacuation expenses are in a somewhat different category to ordinary compensation. I think evacuation expenses should be covered by the polluter or by the person who caused the spill, but that they should not be given with a condition that one signs away all other rights to compensation for the effects of the spill, which may not be evident at the present time.

Mr. Speaker, I hope the bill will prove to be a useful addition to our environmental legislation; for that reason I will vote for third reading, but I hope it is not just another piece of window dressing like the Environmental Assessment Act.

Mr. Riddell: Mr. Speaker, in recognition of the constraints of time and the workload before this House to be completed before it prorogues, I will be brief. I would like to convey the regrets of the member for Huron-Bruce (Mr. Gaunt), who was unable to remain in the House to participate in this third reading; he is chairman of the social development committee which is meeting this afternoon.

I know the member for Huron-Bruce was greatly involved in this most important bill; I believe the minister has a great deal of respect and listened very carefully to the reasonableness of the member for Huron-Bruce. Together, I think they have brought in a very important bill, although it is a compromise to a certain extent, between what the environmentalists groups wanted, and of course what the industry wanted.

It was a very lengthy hearing. Industry presented a very strong case, particularly in connection with the absolute liability section of the bill; the environmentalists presented equally as strong a case; therefore I think until we give the bill a chance to function we did have to reach a compromise. I believe both industry and the environmentalists groups are quite satisfied. If the bill doesn't work to our satisfaction, we can always amend it at another time.

I was a little disturbed with some of the things that happened in committee. I know Dr. Landis was the one who you might say masterminded the bill. I am sure he had the Minister of the Environment (Mr. Parrott) well briefed. I think the minister handled himself very well in committee, but this was a bill that showed the work of Dr. Landis.

Dr. Landis sat and listened to industry present its case in connection with absolute liability, and he wanted to talk to the committee and convey some of his thoughts. We had such a meeting set up. I was a little disturbed when the Conservatives cut him short. I don't know the reason. I was certainly prepared to listen to him to see what he had to say in favour of absolute liability, because there is no question there were many of us on the committee who were a little concerned about deviating so much from what we have accepted as common law, that is that a person or party is innocent until proven guilty. Here we were making parties guilty and really not giving them a chance to prove their innocence, which I say is quite a deviation from common law.

That is why I was concerned, and I know all of the Conservative members on that committee were most concerned about this particular aspect of the bill.

I felt we should have given Dr. Landis an opportunity to convey his thoughts to us about the absolute liability, but he was cut short. There was one Conservative member on the committee who I felt reprimanded him for really no apparent reason. I was a little disturbed that he was treated in this respect. The member may have something to say about it. I think it was a little unfair to a man who was so intent on seeing the bill pass in its present form, because as I say he was the one who masterminded the bill. I really think it was our responsibility to listen to what he had to say, but we didn't have that opportunity.

We have reached a compromise position on the bill. We have absolute liability as far as immediate cleanup is concerned, but we have resorted to strict liability or reverse onus as far as compensating victims of a spill. I think this was the only thing we could do at this particular point in time. As I say, if we find that isn't working and we have to go to absolute liability in respect of compensating victims of spills we can always amend the bill, but I think that has the makings of pretty harsh treatment.

I can never understand the members to my left and their philosophy on anything. They are the first to holler whenever people are put out of work, but they don't seem to mind putting hardships on the very employers who are providing these jobs. If we are going to continue to impose hardships on industry in Ontario then we aren't going to have it operating here. Companies will leave and we will have these people put out of work. I think we have to look at all sides of this, and if we want industry to carry on then I don't think we can be imposing such things as absolute liability on these companies, which may be completely innocent as far as the spill is concerned, but are guilty according to the way a bill is formally written.

I think it is a good bill now. It is an important piece of legislation passed in connection with environmental matters. We certainly support the bill on third reading.

We in the Liberal Party are happy to see there is light at the end of the tunnel. I have wondered since we started this bill whether we were ever going to see it come into the House for third reading. I am sure the minister has wondered many times whether or not he should withdraw the bill. I am glad he stuck with it, and I commend the minister for listening to the amendments put forth by the committee members representing the Liberals and the NDP; and of course I think

the minister brought in some important amendments of his own.

I think the committee worked well and brought in a bill that is workable. I would like to see it get third reading and be put into effect, so when we have another spill such as the one in Mississauga we have some legislation on which we can lean.

Mr. Kennedy: I rise to commend the minister, his ministry and the committee for bringing forth this legislation. As the previous speaker indicated, I am aware how hard and diligently they worked, listening to many representations in great detail.

I was sorry not to be able to participate in that discussion. Although any member can go, I don't happen to be on the resources committee. We all know there are other responsibilities. The chairman also worked very diligently to bring this bill through to third reading.

The issue of the derailment in Mississauga was brought up by one of the members and if the minister is going to respond when other members have spoken, I would ask him to comment on how this bill might have applied in that situation.

And could he tell me, if this bill is put in place now, would it be considered retroactive in relation to that derailment? Would it be pertinent to the issue of cleanup, what with the ongoing inquiry taking place to resolve that problem?

I note the act comes into force on a day to be named by proclamation following royal assent. Could the minister give some indication of when this bill will be in place?

Again I want to commend the committee and the minister on their work on this landmark piece of legislation. It is long overdue and we welcome it.

Hon. Mr. Parrott: Mr. Speaker, I will be very brief. I am pleased to see the House is going to support this bill. We are, I think, justifiably proud that it's going to be law here in Ontario before the festive season.

I too share the views of at least two of the previous speakers, that the committee worked extremely hard and well.

I do want to clear up one or two misconceptions. First, when the bill was introduced we had high hopes, as one of the members said, that we would see payments to innocent victims, uninvolved victims.

Second, we hoped to see legislation which would allow the ministry to very effectively clean up the results of spills in the environment.

I am pleased to advise members that both those original objectives have been met, without being watered down as I think someone said. They have been met unconditionally.

Perhaps we are meeting them in a little different form than was originally proposed, but the very basic principles of the bill have been maintained.

[4:15]

I was concerned that there was some question about whether or not we would put more of the regulations into legislation. I made a commitment in committee, and now I am also pleased to put it on the record here in the House, that I am quite prepared to put regulations into the Ontario Gazette prior to their approval. In other words, they will go into part one and there will be notice of intent, and then they will be put to the committee for discussion.

There comes a point in time when, after you have had eight months of debate and after you have gone to the extent of publicizing the regulations, you have to get a little discouraged when some people say they still want more discussion; I don't know how much is enough, in other words. I can't imagine we can do more than we have done on this bill. I guess it boils down to this. The House, it appears, is going to unanimously support this legislation, and for that I am pleased and thankful.

I also want to say to you, Mr. Speaker, that many of the decisions in the committee were made with a great deal of care and consideration. I should say all of them were made with a great deal of care and consideration. Frequently they were moved by members of the various parties. In fact, it was not uncommon for an amendment that I may have had printed, as a result of the work of the staff in the ministry, to be moved by someone from other than my own party.

I thought that committee functioned as well as any committee I have ever had the pleasure to attend and be part of. There was genuine debate and it was over two or three major issues of the bill. More particularly, now that the committee has met and had all of those deliberations, now that they have spoken and come to a consensus, and although I am proud of the bill on a personal basis and on behalf of the ministry, I hope we will find that the members of this House will be proud of that bill and not say, "Well, I agree with most of it but not that little section." The committee system has worked; it has functioned. Surely now we should go forward and say that is our bill, one in which all of us had an opportunity to actively participate and we are proud of having done so.

I can't answer the question of the member for Mississauga South as to when the bill will be proclaimed. As it says, obviously, in section 6, "This act comes into force on a day to be named by proclamation of the Lieutenant Governor." I would like to have the regulations gazetted first and then go back to the committee at least. If I thought that would unduly delay it, then I would, of course, ask Her Honour to proclaim it. I am sure my cabinet colleagues would agree to proclaim it earlier than that. I would hate to unduly delay it.

Mr. Makarchuk: Don't wait for another disaster.

Hon. Mr. Parrott: I agree. That's one of the concerns. Let's get it on here. If I hear the member say, "Proclaim the bill and do the regulations later," then I am quite prepared to proclaim it at the earliest date. I am not sure whether the member is suggesting that.

Mr. Kennedy: Obviously we need regulations.

Hon. Mr. Parrott: We do, to make the bill fully effective. Therefore, I must press. We are pressing and I hope to be back to the committee with the regulations. Again, it was sort of a milestone in committee discussions. The give and take in that committee, I think, exceeded the give and take in most committees.

I would be absolutely wrong, in conclusion, if I didn't say two things to you, Mr. Speaker. I want to say a very sincere thanks to members from all sides who participated in that debate. I would find them still discussing it after hours. It wasn't a piece of legislation about which the various members came in and said, "Let's get it over with"; indeed, they became caught up in this legislation and the importance of it. I just want to put on the record as clearly as I possibly can that that committee functioned well. They made joint decisions and I think they should be proud of a piece of legislation that I honestly believe will go down in the annals of our environmental law as one of the premier bills this province has seen and this country has seen. Indeed, it's legislation that breaks a lot of ground in this country. Not only are we proud of this legislation, but I am very proud of the way the committee deliberated on this bill.

Motion agreed to.

THE CITY OF TORONTO ACT

Mr. Renwick moved second reading of Bill Pr5, An Act respecting the City of Toronto.

Motion agreed to.

Ordered for committee of the whole House.

THE SOUTH RUSSELL HOLDINGS LIMITED ACT

Mr. Eaton, on behalf of Mr. Rotenberg, moved second reading of Bill Pr30, An Act to revive South Russell Holdings Limited.

Motion agreed to.

Third reading also agreed to on motion.

House in committee of the whole.

CROWN TIMBER AMENDMENT ACT

Resumption of the adjourned consideration of Bill 77, An Act to amend the Crown Timber Act.

On section 5:

Mr. Deputy Chairman: Mr. Renwick moves that section 5a of the act, as set out in section 5 of the bill, be amended by adding thereto the following subsections:

"(5) Each agreement entered into under subsection 1 with respect to the lands to which the treaty known as Treaty No. 9 applies shall be subject to any aboriginal rights which may exist at the time the agreement is entered into and to any rights which may exist under the said Treaty No. 9.

"(6) Without limiting the generality of subsection 4, the said subsection 4 applies to every agreement entered into under subsection 1 with respect to the lands within which the communities known as Poplar Hill, Deer Lake, North Spirit Lake, McDowell Lake, Slate Falls, Aroland, Webequie, Lansdowne House, Summer Beaver, Long Dog Lake, Hawley Lake and Fort Albany are located."

Mr. Renwick: Mr. Chairman, I distributed copies of this amendment yesterday to all parties concerned. Members will recall that on second reading of the bill my colleague, the member for Algoma (Mr. Wildman), raised the question of protecting the position of the Indian communities residing in the named 11 areas spelled out in subsection 6 of the proposed amendment. I have had some concerns for a long time with respect to the status of Treaty No. 9.

I specifically refer to Treaty No. 9, and not to that part of the lands covered by Treaty No. 3, nor to the Robinson-Lake Superior agreement, both of which fall into

different categories. I refer specifically in this amendment to Treaty No. 9 because it is a treaty to which, in substance if not in precise technical law, the province of Ontario, along with the federal government, the Dominion of Canada as it then was, is a party with the Indian communities which are parties to that agreement.

I've spoken on other occasions of my concern about Treaty No. 9. Since that time there has been a significant development in the legal concept with respect to aboriginal title and aboriginal rights. Therefore, I wanted on this occasion to make certain that nothing we do in the Crown Timber Act is going in any way to affect whatever the rights may be of the native people with respect to the lands in Treaty No. 9, and more particularly the specific 11 communities.

The development of the law with respect to aboriginal rights is sort of a hallmark of this last decade. We are all quite aware that the encroachment of industrial society on tribal groups has been a feature of a colonizing policy of all of the European nations which came here to Canada and which took over and encroached upon the lands previously occupied by the native peoples. Many legal problems have been created as a result of the encroachment, but the law remains, as has been said, curiously imprecise as the rights of aboriginal peoples and the status of their treaties is obscure. Most jurisdictions have been slow to develop a coherent doctrine of aboriginal rights.

Let me refer in my remarks to an article which appeared in The Review of the International Commission of Jurists for June 1979 by Mr. Gordon Bennett on Developing Law of Aboriginal Rights. A portion of the conclusion of that article, I think, expresses the reality within which we live at the present time.

"The discovery of mineral wealth, expanding communications and the advances of industrial technology have already combined to deprive most aboriginal communities of the autonomy they once enjoyed. It would be idle to pretend that this process could be halted, still less reversed, by the enactment of laws.

"Political and economic considerations are the real determinants of the fate of native people, but the invasion of tribal land, hitherto almost invariably a lawless phenomenon, can be subjected to legal restraints and the intervention of indigenous and non-indigenous societies controlled within a legal framework."

It is my personal opinion, which I've held for a long time, that properly prepared and properly submitted to the courts Treaty No. 9 would likely not withstand a positive attack as being a document which would stand up under the scrutiny of the circumstances under which that treaty was entered into. At some point in time I expect that challenge will be made.

Again I reiterate, the point of my amendment is simply to ensure that those rights, whatever they are, are not going to be affected in the interim by actions taken by this assembly under these agreements in which we are about to authorize the participation by the government with the various pulp and paper companies.

It is a long time in coming, but as recently as November 15 of this year a decision was given by the federal court in a matter, not within this province, related to Baker Lake Inuit Tapirisat of Canada versus the Minister of Indian Affairs and Northern Development and others who participated in that lawsuit, which clearly outlines and delineates the conceptual basis applicable to Canada on which claims for aboriginal rights can be based.

I'm not suggesting for a moment that question is open and shut on any of the issues that are involved in specific claims in specific areas. What I am saying is that the development of the law, or the clarification of what the law is with respect to the rights of the Indian communities with which the province is involved under Treaty No. 9, are matters which must at some time be clarified in law.

[4:30]

It is a long time since 1763 and the time of the royal declaration which spoke about the Indian peoples outside the province of Quebec and outside what were then known as the lands of the Hudson's Bay Company, and the preservation of their rights. It is a long time since there has been any clear understanding as to whether or not under the common law of England there was an aboriginal right of aboriginal peoples to their land with respect to countries that were colonized by England in the days of the Empire.

It is sufficient to say that as late as 1973 at least three of the judges in a seven-man court held there were such rights. I reiterate that in the recent case of November 15, 1979 those particular rights are much more clearly indicated. It is now quite possible for lawyers to frame the kinds of issues which must be answered to establish whether there is aboriginal title or whether there are aboriginal rights and what the nature and extent of those rights may be in any particular

circumstance with respect to any particular tribe or settlement.

The minister of Natural Resources (Mr. Auld) is probably quite aware that the Grand Council Treaty No. 9 has been very much concerned about this whole question of the status of the particular communities to which I have referred by name in the proposed amendment. As late as April 24, 1979, the whole question of the band reserve status was the subject of a paper by Fred Plain on behalf of the Grand Council Treaty No. 9, in which the very issues with respect to the title to those lands and the right to those lands is seen to be a matter of continuing negotiation with the government of this province.

Most of us recall—indeed the Speaker of this assembly certainly recalls—that the very lands included in Big Trout Lake, in that area, were finally resolved by joint order in council of this government and the federal government to establish the band reserve status of the Big Trout Lake settlements at that time. Since that time they have been engaged in negotiations, specifically with respect to Fort Albany, and those negotiations are stymied simply because this government has now said it is not prepared to grant any more lands and that all it is prepared to do is to sell them lands at something called "fair market value" or to exchange lands for other lands. That's the kind of niggardly position I would anticipate this government would take, excepting this Minister of Natural Resources who has a degree of understanding of this problem which makes me believe the position of his government will at some time be reversed.

The Fort Albany negotiations are completely stymied at the present time because of this intransigent position of the government of Ontario and with respect to the fact that the other 10 communities have not even reached the point where there is any significant progress being made. I may say that behind the whole question of the validity of Treaty No. 9 lies the question of these particular 10 reserves, or 10 areas, or 10 communities—whatever one wants to call them. There are 11 communities if one includes the Fort Albany negotiations.

Let me just quote briefly from the paper to which I referred: "Through the research work done by Grand Council Treaty No. 9, by Jim Morison and the work done under the land-use study, it is clear that these so-called satellite communities did not just spin off or separate from a parent body. The government would like to convince us that this is what happened. The position paper that was submitted to the government of Canada by the people of Webequie, Lansdowne House and Summer Beaver clearly stated the fact that these communities pre-existed the 1905-1906 treaty signing at Port Hope. This fact is the same at all the other so-called satellite communities."

I'm quite certain I need not go on at great length. This is not the proper forum to explore all the aspects of the concerns which I have about it. It is the proper forum, I suppose, but this is not the proper occasion in this forum to press that. But I did want to let my colleagues in the House, from all parties, clearly understand what our congard to the status of these communities.

May I point out very clearly that the terms of the agreement do not inhibit entering into agreements with respect to crown lands for the purpose of regeneration, as has been discussed for some considerable time, both on second reading and in committee of the whole House. What it simply says is that any agreement entered into "shall be subject to any aboriginal rights which may exist at the time the agreement is entered into and to any rights which may exist under the said Treaty No. 9." The purpose is to clearly preserve within the statutes, to give public notice that that reservation has been made by this assembly, in order that in due course of time I would hope these particular problems about these particular 11 communities will be resolved in a way which is satisfactory to the native peoples and which will clearly indicate this assembly reserves whatever rights the native peoples may have with respect to Treaty No. 9, with which this government is inextricably involved with the federal government.

If in due course, as I believe will be the case, the matter finally goes in some way or another to the Supreme Court of Canada, we will have a definitive statement with respect to the validity, which I think is distinctly challengeable, of Treaty No. 9, and what is the nature and extent of the historical background which may have led to an assertion of aboriginal title to solve the vexed question as to whether or not Treaty No. 9 operated to extinguish whatever aboriginal title there may have been and to determine to what extent the royal proclamation of 1763 affected the title of the Indian communities.

The division in the legal world, that has been trying to sort out, pretending that these rights always existed, but in fact trying to answer by way of the common law the very equity which is required, splits on the question as to whether or not all of the rights in that area flow only from the royal procla-

mation of 1763, or whether antedating that there was in fact a common law aboriginal title which must be respected so far as the lands now in the province of Ontario are concerned.

For those who are not aware of it, under Treaty No. 9 that great, vast land mass of the very northern part of the province was transferred to the crown in the right of the federal government and then transferred, in due course, to the province of Ontario for a pittance, in the negotiations which presumably took place. I may say, with great respect to the particular form of the Christian church to which I belong and to which the Minister of Energy (Mr. Welch) belongs, they had to use the bishop of the Anglican church in order to persuade the Indians that it was quite all right to rely upon the great white queen across the waters to look after their interests.

Somewhere along the line, the inequity of that treaty is subject to severe challenge, and I think this assembly at least has to do the minimum in this bill in preserving whatever those rights may be until such time as they can have a final and conclusive determination. I would therefore ask the support of the House for this amendment.

Mr. Deputy Chairman: Does the minister wish to reply at this time. Sorry, I thought we had come to the end of the speakers. The member for Algoma.

Mr. Wildman: I rise in support of the amendment proposed by my colleague from Riverdale. I bow to him and his legal expertise in these arguments with regard to the question of aboriginal claims, aboriginal rights and the validity, or lack of it, of Treaty No. 9.

My concern, as the minister will recall I raised this whole issue previously during this debate, is the 11 communities and what effects the proposed law, and the provision under it for forest management agreements, might have on the disputed lands that are now occupied by the bands at Poplar Hill, Deer Lake, North Spirit Lake, McDowell Lake, Slate Falls, Aroland, Webequie, Lansdowne House, Summer Beaver, Long Dog Lake, Hawley Lake and Fort Albany.

When I raised it earlier, the minister argued that this didn't apply and shouldn't be raised under this section. Obviously some of those communities we're talking about are too far north to really be affected, but others could very well be affected by the forest management agreement. It seems to me that if we're passing a bill which will be providing for management of lands on which people are now living and to which they claim title, then it is very appropriate that we should be debating it at this time. Although it isn't central to the bill, it is certainly central to the lives and livelihood of the people living in those communities.

My colleague from Riverdale referred to the paper presented by Fred Plain to Grand Council Treaty No. 9 in April, 1979 with regard to the status of these communities.

I want to point out that whether you talk about the aboriginal claim or not, one thing that has to be considered in talking about Indian lands and Indian land claims generally, even in other treaty areas which didn't directly involve the province because they were signed prior to the formation of this province—such as the Robinson-Superior Treaty for instance, or the Robinson-Huron Treaty—often when those treaties were signed they were signed with communities which were thought to occupy lands but it was very unclear as to which lands were occupied by whom.

In fact there is a substantial claim in the Pic River area right now over lands claimed by bands that according to the federal government have somehow been formed subsequent to the signing of the treaty; they have just appeared and are now occupying and claiming lands that were covered by agreements with other bands. One argument is that these are spin-off bands, but in fact these could very well have been bands in the interior that the people at the time of the signing of the treaty knew nothing about. That's very unclear, it's something that has to be cleared up.

In the case of Treaty No. 9, where this level of government has a direct interest because the treaty was signed after the formation of this level of government. This government was given jurisdiction over those areas by the federal government, and was in a sense a third party to the agreement that is central to the discussion here.

[4:45]

I would like to deal for a moment with the whole argument that these are satellite communities. That is very unclear and it would be very convenient for both the federal and provincial levels of government if they could indeed be seen as satellite communities.

One could argue that the people living in those communities are already provided for by the treaty in the reserve land set aside for the people occupying the area, but the research indicates these are communities which were not developed latterly as spin-off communities. They are long-time communities

which have been standing for some time. They are communities which have developed as the people established a less nomadic way of life. They are really communities which should be seen to have reserve status.

Obviously the people who live there must be given title to the lands they are living on, otherwise they will be subject to whatever developments take place in the area, without having any say themselves.

I think this government and the federal government have already set a precedent for dealing with these problems in the Treaty No. 9 area. The Big Trout Lake settlement, which was referred to by my colleague, certainly sets a precedent. It is indeed unfortunate that this government has not decided to settle these other claims in a similar fashion, or at least appears not to have.

In the Big Trout Lake situation, which was finally agreed to in 1975, eight band reserves were established where previously there had been only one recognized. They weren't reserves that were purchased by the people of the Big Trout Lake area but were transfers of title. I wonder why the government hasn't chosen to take that same approach in the negotiations that are now taking place.

In the meantime, while the issues are not settled it seems imperative that we must protect the people living in those communities who are now in the process, through Treaty No. 9—the Grand Council Treaty No. 9 that is—in the process of negotiating with the two levels of government.

I wonder if the minister will be able to tell us—he wasn't able to tell us when I raised this matter earlier in the debate on this bill—if the province will be prepared to offer the lands in fee simple as they did with Big Trout Lake?

Hon. Mr. Auld: Would the honourable member repeat that, I didn't hear it?

Mr. Wildman: Will the minister be willing to offer these lands to the people living in the area, as reserve lands, in fee simple? In other words, will he transfer the lands? Is he willing to transfer the lands and make an agreement with the federal government for these lands to be given reserve status?

The one thing I am very concerned about—the individuals to my right, or one of them, doesn't understand the situation in that we are talking here about lands that are under provincial jurisdiction, which were transferred to the province by the federal government; these are lands referred to in a treaty signed in 1905 after this province was established. In fact this province was a third party to that agreement.

The federal government has to be involved if one is talking about giving them reserve status, because reserves happen to be under the jurisdiction of the federal government. What we are talking about is transferring lands, I suppose, from provincial jurisdiction to federal jurisdiction since legally, reserves are seen to be held in trust by the federal government for the people living on them. That is why both levels of government are involved.

I want to emphasize this isn't something to be just tossed into a tripartite committee for negotiations at some future date. It has to be resolved quickly and soon by negotiations directly with the people involved in the various communities through their representative, Grand Council Treaty No. 9, by the provincial Ministry of Natural Resources and the federal Department of Indian and Northern Affairs.

In the meantime, we must keep in mind how protracted negotiations between the two levels of government involving native peoples' rights have been in the past. One just has to refer, as the minister knows very well, to the so-called 1924 land agreement negotiations, which have been going on now for what—55 years? I certainly hope this matter will not take that long to resolve. It must be resolved quickly. Keeping in mind how long these matters can take, in the meantime we must give them some kind of protection against losing complete control over the lands on which they live.

I would urge the members of the House to support the amendment proposed by my colleague from Riverdale to give protection to the 11 communities of the Treaty No. 9 area which at this stage do not have reserve status.

Mr. T. P. Reid: Mr. Chairman, I have a certain amount of sympathy with these amendments. I am not sure, however, that they fit into the scheme of things in regard to this legislation. Like my colleague who has just spoken and the member for Riverdale, I have some knowledge of these matters and a great deal of sympathy with some of the land claims put forward by the bands.

Not being as well versed in the legal aspect as other members, I would have thought some of these matters would already have come under other legislation and and other forms of protection. I don't know if they should be put in the law to underline, as my friend from Riverdale says, the concern of this House that those rights and obligations,

and certainly the resolution of those problems, would be protected.

Much of this area, of course, is in a part of northern Ontario which will not necessarily be affected by these agreements. But if there is any chance at all that some will be, I think we need a guarantee from the minister that he will be there at the very least to protect those aboriginal rights in land I believe the member for Riverdale is talking about specifically, rather than in some other species. Perhaps the concept of the aboriginal rights in regard to game and fish and the impact that harvesting and regeneration might have on those should also form part of the bill. I don't know.

Could the minister tell us if he has given any consideration to the matters raised by the member for Riverdale and just where the situation lies? How does he see this legislation affecting or not affecting these particular problems in regard to Indian land claims?

Hon. Mr. Auld: Mr. Chairman, first of all, I will deal with the questions raised by the member for Rainy River in connection with fish and game and whatever rights there may be on the part of the native peoples for trapping, hunting and fishing. This is one definition of aboriginal rights. It's by no means of legal definition, but it is one commonly used.

The land-use planning process now going on in the crown lands under the jurisdiction of the Ministry of Natural Resources provides for land for timber, game and fish without straying too far from this bill. These are things I have mentioned previously in connection with the purchase of the Reed mill and existing licence by Great Lakes and the requirements we have in the memorandum of understanding which may be a part of that purchase.

I can assure this House we are very conscious of the need to preserve timber, game, fish, flora and fauna for everybody.

Going to the question raised by the member for Algoma, there is an existing provision that has been operative and used on occasion for the exchange of lands presently held by the crown in right of Ontario for lands now Indian reserves and held by the crown in right of Canada on an acre-for-acre basis. To my knowledge there has never been an exchange refused on that basis by the province.

On occasion a satellite or breakaway group has come to the province to ask for a specific piece of land. Such an incident occurred on land not too far east of the Lakehead, not too long ago. It is currently under negotiation. We agreed to sell—not exchange but sell—the land to the federal government for this group. I understand there are a number of satellite bands on crown land now in the right of Ontario and some reserve tracts owned by the crown in the right of Canada are vacant.

I have mentioned before, as has my predecessor, one of the reasons for setting up the original royal commission under Mr. Justice Hartt, now headed by Mr. Fahlgren, and setting up the tripartite process was to negotiate these matters, some of which are of great legal complexity.

I would like to comment briefly on the two amendments just moved by the member for Riverdale. I start off my comments by asking, what are aboriginal rights?

The member for Riverdale uses that expression in his proposed subsection 4. That use implies this expression is reasonably clear. However, I am advised by our counsel that the expression "aboriginal rights" is not a reasonably clear concept. It is reasonably cloudy, or I might even say, unclear, expression.

As I think all honourable members of the House are aware, the Supreme Court of Ontario has the Temagami case to consider and it is before the court at this moment. I understand one of the main issues before the Supreme Court of Ontario will be the nature and extent of aboriginal rights.

I believe it is our duty as legislators to employ in our legislation expressions that are reasonably clear, not expressions that because of their ambiguity are currently before our highest court for clarification. In addition, it strikes me as improper for the Legislature to propose legislation of the kind proposed by the member for Riverdale when the very subject matter is sub judice, that is, before the courts.

[5:00]

I am advised that some of the court cases in the context, as the member for Riverdale has mentioned himself, don't use the expression "aboriginal rights" but the expression "aboriginal title," as he used today. I understand the meaning of the latter expression is just as ambiguous as the former. Neither, in the absence of reasonably clear meanings provided by the courts, ought to be legislated into law, in my view and in the view of my counsel. To do so would be to legislate, in effect, ambiguity and uncertainty into our law. I think that result would tend to bring discredit upon this House.

The latter part of subsection 4 as proposed by the member for Riverdale provides in sub-

stance that the forest management agreement is subject to any rights under Treaty No. 9. My advice is that this provision is redundant by virtue of section 88 of the federal Indian Act which provides, in effect, that the laws of Ontario are subject to Indian treaties. Since this principle appears not to be well understood, I would like to read section 88 of the Indian Act for the information of all honourable members.

"Subject to the terms of any treaty and any other act of the Parliament of Canada, all laws of general application from time to time in force in any province are applicable to and in respect of Indians in the province, except to the extent that such laws are inconsistent with this act"—that is, the Indian Act—"or any order, rule, regulation or bylaw made thereunder and except to the extent that such laws make provision for any matter for which provision is made by or under this act."

I reiterate that the laws of Ontario are already subject to the treaties. Consequently, it follows that agreements made under Ontario laws would also be subject to the Indian treaties. With respect to the member for Riverdale, the latter part of his proposed subsection 4 is redundant. However I am advised subsection 4 also appears to be defective on constitutional grounds. I am advised that section 91, head 24, of the British North America Act provides that the class of subject, "Indians and land reserved for Indians," falls within the exclusive authority of the Parliament of Canada. It is reasonably clear that Ontario has no legislative authority to deal with the rights of Indians and in our opinion subsection 4, as proposed in this amendment, purports to do what this Legislature cannot do. Putting this matter simply, to me the proposal appears ultra vires this Legislature.

Mr. Renwick: I don't intend to prolong the matter because, as I said, this is not the occasion to debate all of the intricacies involved in it. I would, however, like to dissociate myself quite gently and quite specifically from the minister's version of what the effect, both in law and in reality, of the proposed amendment would be.

I stand by the amendment. I think it is necessary and that behind it is a real reluctance by the province to recognize that there are significant things wrong with the way the native people in this part of the world are being dealt with by this government when it could very well, in co-operation with the federal government, effect very significant and substantial changes which would eliminate the legalities and speak to the social and economic realities of the problem involved.

It is only because of that failure that one must rely upon the technicalities and the extreme difficulties of arguing the legal cases that are involved in the questions related to these matters. None of it, I say, is clear but it's becoming clearer. Throughout the 1970s, it's significantly more clear than it has been at any other time.

However, I do not intend to pursue the matter. I will let the record speak for itself at this time.

Mr. Wildman: I do intend to pursue the matter for some time, not for too long a length of time, though. I just want to reply to a couple of things the minister said.

He said he was aware of the fact that these kinds of disputes can sometimes be resolved through trade of land. I mentioned that when I was speaking and, of course, it is true, but that is not what is being asked for.

Here is a situation where, let's say, you have two communities. One community is recognized to have reserve status. The people of both communities are recognized to be members of the band for which that land is reserved. The second community, which does not have reserve status, requests reserve status.

Hon. Mr. Auld: We can't grant reserve status.

Mr. Wildman: It involves negotiations, as I said, at both levels of government, because the province has the jurisdiction over the land on which they live. The province says to the federal government, "We don't want to give up any land." The federal government then says, "This group of people want reserve status; they want land." The province replies, "We are not willing to transfer land directly to the federal government so that they can be given reserve status, but we are willing to trade some land. We will consider that."

In fact, what they are saying is they want to go to the first community that already has reserve status and say to them, "Look, will you divide up your land and give us some of what you have so that this other group can be granted land so they can have reserve status?" That is what the minister is asking and it is completely unreasonable, because if they are separate communities and they have been established as separate communities for a long time, unless there is a tremendous amount of goodwill and they have more land than most reserves, the people on the reserve are not going to be willing to give up some of their land. In many cases, because of the increase in popu-

lation since the early 1900s, the reserves are much smaller than they need to be.

The minister did not reply to what I had mentioned, in that the agreement on the Big Trout Lake area did not involve a trade of land; in fact, it was a direct transfer.

Mr. Renwick: That's right.

Mr. Wildman: If you could do it then, why can't you do it now?

As a matter of fact, if I refer to the paper that my colleague mentioned, at the time of the negotiations with the Big Trout Lake band the government maintained that the land originally granted would have to be enough to support the band. I quote here, "The government said the assets of the Big Trout Lake band, including land and capital moneys, must be divided on a per capita basis to the eight communities." That was the position taken by the government.

It was only after a referendum had been held requesting separate band status that the other seven communities were given band status and given land. It was a direct transfer as far as the Indians were concerned.

Hon. Mr. Auld: Mr. Chairman, on a point of order: I think we have strayed somewhat from the amendment to the Crown Timber Act.

Mr. Wildman: All I am saying, Mr. Chairman, is that this amendment as proposed by the member for Riverdale would not be necessary, as I think it is, to protect those communities if the government was willing to make a commitment for a transfer of land to the federal government so that reserve status could be established. As a matter of fact, at the time of the negotiations on the Big Trout Lake situation, the Fort Albany people were petitioning for the same kind of reserve status, but it was refused. Why would the government give it to one but not to the other?

In 1975, the member for Kenora (Mr. Bernier) said that a provincial grant of land for Fort Albany similar to the grant made at Big Trout Lake was not possible. In fact, they would only trade land. If the minister would simply stand here and state he is willing to negotiate a transfer of land to the federal authorities for band status to be granted, this amendment wouldn't be necessary. As long as he's unwilling to say that, we must pass this amendment.

Mr. T. P. Reid: As I gather, the purport of the minister's remarks was that these amendments were out of order. Was that what he was trying to say? If he was, then obviously the chair has to rule.

If they are out of order, I think the least we require in the Legislature this afternoon is some kind of commitment that the lands, particularly, of the Indian bands in the area who may be affected by these agreements, and their aboriginal rights—as I define them and as the minister indicates he does, although perhaps not sharply enough for the lawyers—but that their aboriginal rights in regard to hunting, fishing and trapp ng will be protected.

If these amendments are out of order—I'm not quite sure whether they are or not and I can't make the decision on that—I'd like the minister to tell us what guarantees there are going to be. He mentioned the Hartt commission, or the Fahlgren commission, the tripartite situation with Justice Hartt. I'm not sure, quite frankly, I have much faith in all of that. I think that whole northern environment commission was a con job. I think in many ways it did more harm than good. I'm not sure what they're doing, if they're doing anything at this stage.

I'd like something more concrete so the people we're talking about have some protection. Perhaps these amendments should carry if we can't get some kind of guarantee from the minister or if he can't tell us under what mechanism these particular people's rights, perceived or legal, are going to be protected.

First of all, was the minister trying to say that these amendments were out of order?

Hon. Mr. Auld: What I said was that, first of all, subsection 4 appears to my legal staff to be redundant because of section 88 of the federal Indian Act which provides that all our laws must be in accord with the treaties made with the native people. They are subject to the terms of any treaty and to any other act of the Parliament of Canada. So it is unnecessary, in the first place, to have this amendment. Secondly, it also appears to be defective on constitutional grounds, according to the British North America Act and what I read a few moments ago.

I am not clear whether the member for Riverdale also moved at the same time "that section 5a of the act as set out in section 5 of the bill be amended by adding thereto the following subsection: '(6) . . .'" Is that presently before us? It is. Then let me expand a bit on this. I'm afraid I was thinking we only had the first part.

Mr. Renwick: Mr. Chairman, on that point I nodded inadvertently. No, that is the second amendment. There's some confusion about the numbers. Because last night the minister moved an amendment to add subsection 5,

and because the document which I had sent to him was numbered 4 and 5, we then had to number it 5 and 6. But the one I will move subsequently is actually a new subsection 7, and it's not before us at this time.

[5:15]

Hon. Mr. Auld: Then I can go back to the tripartite process. I think I can say for this government that we are anxious to reach a settlement on a whole variety of issues with the native people of Treaty No. 9, Treaty No. 5, the Union of Ontario Indians, the Iroquois and allied groups and others within the province on a great variety of matters.

As I say, I'm straying a bit from the Crown Timber Act, which is only one relatively small part. I think the biggest single issue is not the question of hunting, fishing and trapping. By and large, the only way there is agreement is because of the Supreme Court of Canada's decision as to the limitations imposed on all status Indians as far as hunting, fishing and trapping are concerned off the reserves—and how far off might be questionable because there are different provisions in different treaties, purchases and so on.

The Supreme Court has ruled that status Indians' rights on the reserve are protected. Off the reserve, they are subject to the game and fishing laws, the Migratory Birds Convention Act, other federal statutes and those provincial regulations which are passed by the federal government at our request.

As far as land claims are concerned, that is a different matter. I think those must be negotiated. My information and the advice I have from the law officers of the crown are that those have to be negotiated jointly as between the crown in right of Ontario and the crown in right of Canada on the one hand, and the native people on the other. It may well be that the settlements arrived at will vary in different parts of the province, although I think a single principle will have to apply. Those negotiations are going on, albeit slowly.

In 1924, when those—I don't really remember, as I wasn't following the papers that closely. In fact, I was just learning to read at the time.

Mr. T. P. Reid: You were a 30-year-old man.

Hon. Mr. Auld: Not quite. Three maybe, but I looked older.

Mr. T. P. Reid: You were reading then.

Hon. Mr. Auld: There were some major questions to be resolved, and many of them remain, in terms of land claims. I can assure the member for Rainy River we are anxious to see some settlements. In some cases, we're approaching some proposals that we will be able to put forward in connection with one or two claims I can think of in northwestern Ontario. I'm not sure of the matter the member for Algoma was mentioning about Big Trout Lake, unless that was in the time of the Honourable Kelso Roberts.

Mr. Renwick: It was 1975.

Mr. Wildman: It was 1975.

Hon. Mr. Auld: On a reserve in that general part of northwestern Ontario the original survey was shown to be wrong and an insufficient acreage had been granted for the reserve. I can't remember the name of the band. A grant was made by the province.

Mr. Wildman: They had 126 square miles and they were given another 195 square miles in addition.

Mr. Chairman: Order. The minister has the floor.

Hon. Mr. Auld: Another 11 square miles, was it?

Mr. Wildman: Another 195 square miles.

Hon. Mr. Auld: That isn't the one I was thinking of. At any rate, we are anxious to resolve these things, but we must do so within the laws of the country. I hope that satisfies the honourable member's question.

Mr. T. P. Reid: The minister has said these are redundant and are not required. Can we then have a guarantee from the minister that if any of these agreements are to be signed that will come in the areas suggested in the amendments by the member for Riverdale, then at the very least, before any agreement is signed with any company, these matters will go to the tripartite committee where the native peoples in the areas, particularly Treaty No. 9 that we're dealing with, will have an opportunity to put forward their point of view and stand up for their rights and protect themselves. Can we have that kind of guarantee?

Hon. Mr. Auld: I thought I had given that in the question about Reed. I just happened to have something here to cover that which I was going to read when the addition of subsection 6 was made.

Let me say that in administering forest management agreements I can assure the members of the House that due consideration and respect will be given to the legitimate interests of the relevant Indian communities. In this respect, the lands occupied by these Indian communities can be excluded from any forest management agreement.

Mr. Renwick: I want to make a brief comment. The questions are really all un-

settled and all of the statements are argument-begging. Every one of the statements which the minister has made is an argumentative question. The fact of the matter is that the Parliament of Canada doesn't recognize aboriginal rights. The Parliament of Canada thinks that Treaty No. 9 is sacrosanct. The question of whether or not we have any jurisdiction in these matters is because this is the only treaty which came into effect after the province of Ontario was established under the constitution in 1867. All of those matters are questions which are going to have to be resolved.

To say that it is ultra vires of us to pass this amendment is not particularly helpful. All this says is that whatever the rights are, they are entitled to be protected and any agreement is subject to them. That's all. If they turn out to be nonexistent, that's fine. If they turn out to exist, then the agreements are subject to them. It wasn't an attempt to be legalistic about a problem. It was an attempt to make certain the social and economic realities exist.

It seems to me—and I don't live in the northern part of the province—if you're entering into agreements to cut timber and then to regenerate it, you can't help but disturb whatever may be encompassed in the needs of the native peoples living in those areas. It seems to me somehow or another we've got to say to them we're just not going to enter into agreements between the government of Ontario and a particular pulp and paper company for cutting rights over lands, without saying something about protecting the people who live there, particularly the native peoples who need that kind of protection. Whether the aboriginal rights are the limited ones referred to or whether there are some larger ones are not our questions. Those are questions which I see down the road are going to go to the courts.

I think we have a very profound obligation to say, "Fine, if they're going to go to the courts, that's all right." But the social and economic reality is to say either we make them a party to the agreement and negotiate the agreement that way or to say these agreements preserve and protect whatever those rights are. I think we owe nothing less.

I don't expect that I or my colleague from Algoma can convince the House. If my friend from Rainy River now believes that the point is not adequately covered or if he believes that an undertaking from the government has been given which removes the problem, that's fine. We intend to record our position on the matter.

Mr. Chairman: All those in favour of Mr. Renwick's amendment to section 5a adding subsections 5 and 6 will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Renwick: I have a further amendment which, if the numbering system can sort itself out—in the document I distributed it was referred to as subsection 6, I think now it is really subsection 7. That's what we're talking about.

I may say that if this amendment were to pass there would be a subsequent amendment, which I'm not going to put, which would add as a schedule to the act the description of the lands contained in the memorandum of understanding between the government of Ontario and Reed Limited.

Mr. Chairman: Mr. Renwick moves that section 5a of the act as set out in section 5 of the bill be amended by adding thereto the following subsection:

"(7) No agreement shall be entered into under subsection 1 with respect to the lands described in the schedule hereto."

Mr. Renwick: If I could just express my concern. I've discussed this with the minister in a very brief way. While I want to make a couple of remarks about the memorandum of understanding, what I'm saying to the minister is, because of the confusion surrounding that memorandum of understanding between Reed Limited and the government of Ontario and the proposed transfer of assets by Reed Limited to Great Lakes Paper Company Limited and because of the discussions which have taken place and the questions which have been asked, we simply want from the government a clear understanding, in nonlegal terms, as to whether or not the government is saying that we will take performance by Reed, or by Great Lakes, or some part of the performance from Reed and some of it from Great Lakes. Or, as we can say in ancient legal parlance, are they accepting Great Lakes as standing in the shoes of Reed Limited for the purposes of this agreement?

Let's not talk about all the legal gobbledegook. The best lawyers in the world can differ on the question. The worst lawyers can differ on the question. That's not the point.

The point is there is no specific provision at the signature clause of this agreement about any assignment, so it's not in a rela-

tively more common legal form. This only envisages two parties; Her Majesty the Queen in right of Ontario—God bless Her—and Reed Limited. That's all. There are only two parties. It doesn't say anything that one party may assign, or that the agreement will be binding on the heirs, successors and assigns of the parties hereto. It doesn't use any of that jargon at all. It is totally silent with respect to assignment.

I have been taught trite law, simple law, that the benefit of an agreement can be assigned but the burden can't, that the province of Ontario is entitled to performance by Reed Limited and nobody else and that the province is in a clear position where it can say to Reed: "You cannot assign the obligations to perform. We don't have to accept performance of any of the conditions precedent to the licences that are included in this except from you, Reed Limited, and we won't allow you to make a sham of the agreement."

[5:30]

If the government wanted to it could simply say if there has been any proposed assignment of the burden of this agreement to Great Lakes the contract is frustrated and that is the end of it.

Alternatively, the government can say very clearly, "We may not have been a party to the agreement between Reed and Great Lakes, but we have in a sense let them know if Great Lakes takes over the whole of the Reed operation Great Lakes can stand in the shoes of Reed and we, the government of Ontario, will accept it." That would be known in law as an ovation.

The orderly way to do it is for the three parties to sign a document saying that Great Lakes is inserted in place of Reed. Great Lakes perform the agreement and if they live up to that agreement, the government will feel bound to Great Lakes.

Instead of that, we have this continuous mishmash of questions and articles in the press and discussions about all the legalities. I introduced the amendment in an attempt, ineffectual as it likely will be in any event, to put a roadblock before this committee, before the minister, which I am quite prepared to remove if he will make a short, simple, understandable statement with respect to the present position of that agreement.

As to the performance at the present time by Reed, does the government consider the agreement, memorandum of understanding and any additional letters that have been exchanged in good standing as between Reed and the government, and are they going to accept Great Lakes in place of Reed?

It seems to me those questions are quite simple. One of the provisions with respect to termination says, in item (b) of clause 11 of the agreement and I don't want to refer to all the other particular provisions, that the minister, and in this case I think it is the Minister of the Environment, perhaps the Minister of Natural Resources can clarify that for me: "The minister may, on written notice to the company, terminate this memorandum of understanding if, by January 1, 1980, the company"—that is Reed Limited—"has failed to obtain approval of the proposed development referred to in paragraph 2 by the Minister of the Environment." No, it is the Minister of Natural Resources who has the right to give that notice.

I may not have expressed the questions as clearly as I want to, but I think the minister understands that we want to know what the state of that memorandum of understanding is. We are not making any value judgement but until we know its status we have no way of saying what we think the case should be. Will the minister please remove the confusion about this agreement he has allowed to develop through the mysteries of his legal advisers?

Mr. Chairman: Any further comments? Mr. Minister?

Hon. Mr. Auld: Mr. Chairman, I hesitate to repeat what I said in the House on December 3, starting at page 5052 of Hansard. Perhaps I can sum it up by answering three questions.

I explained at the time the deadline of December 31, 1980, would not apply, because Reed did submit an environmental impact study. This was returned saying the rules have now changed and subsequently they were required to produce an environmental assessment, which is quite a different document.

In the meantime, we had also undertaken to produce—within 18 months, I think—a forest inventory of the area which we have not done and still have not forwarded, although almost everything except the inventory is complete. The land crews have completed. It is simply the air photographs which have not yet been assembled. I am advised that consequently that deadline has automatically been extended or, in effect, it is null and void.

The other question is whether the memorandum of understanding, whatever its value, is transferable or not and I have an opinion. I will just read it. It is very short: "In our opinion it would appear that Reed Limited

may assign its interest in the above-noted agreement without the crown's consent, since the performance of the agreement does not require any special skill, reputation, knowledge, knowhow or other such quality on the part of Reed Limited that the crown relied upon in entering into the agreement with Reed Limited."

Put another way, that is to say that the Great Lakes Paper Company Limited has the same general skills, expertise and knowledge that Reed Limited has or had, and consequently Great Lakes could perform the obligations under the memorandum in the same fashion as Reed would. I could go on at some further length and quote from what I said in the Legislature, but I think in substance that should answer the two major points which the honourable member has raised.

Mr. Renwick: Let me assume that you as the minister have accepted the legal opinion you got. Are you therefore saying that if Great Lakes performs, it is as if the agreement originally was between Great Lakes and the government?

Hon. Mr. Auld: I am.

Mr. Renwick: That's all we wanted to know. Thank you.

Hon. Mr. Auld: Subject to all the provisos which I touched upon in my letter of November 5 to the chairman, president and chief executive officer of Great Lakes.

Mr. T. P. Reid: I think it is fair to point out as well that we went through this during the minister's estimates. Just so that I have no misunderstanding, nothing is going to be done until the West Patricia land-use study is completed in 1981 and until there is an opportunity for that to be looked at, and also the northern environment commission of Mr. Fahlgren. As I understand it, no licence will automatically be turned over to Great Lakes or whomever when that study is done. I hope I am correct in saying that. Is that correct?

Hon. Mr. Auld: Two more times, Mr. Chairman, and I could recite it by heart. I have it here and I would be delighted to read it again.

Mr. Renwick: I wasn't in the standing resources development committee. Perhaps I could be told what the conditions are which now exist between the minister and Great Lakes. Either repeat it here or tell me where I can find it.

Hon. Mr. Auld: You can find it in Hansard in answer to a question in the Legislature on, I think, December 6, the day of the Treasurer's announcement about the proposed negotiations for the sale of Reed's Dryden operation to Great Lakes. I was asked the question and I think I read virtually all of the letter with the exception of the first part, which said, "I have your letter of November 2 respecting your company's plans and aspirations vis-à-vis Reed Limited," and, "Yours sincerely."

Mr. Renwick: Was that letter tabled in the assembly or in the committee?

Hon. Mr. Auld: It was read in the committee. I will read it again.

Mr. Renwick: No. I am not worried if you will just table the letter.

Hon. Mr. Auld: I'll do better, I'll give you a copy. Anyone else want a copy?

Mr. T. P. Reid: Yes. I'll have one if you are handing them out.

Mr. Renwick: I want to say not only was I not at the resources development committee, but I guess I am dense today. Am I to understand that if I were to read the memorandum of understanding and the letter which the minister has just sent to me—and I now understand that Great Lakes stands in the shoes of Reed Limited—then I have all the conditions which exist between Great Lakes and the minister on behalf of Her Majesty the Queen in right of the province of Ontario?

Hon. Mr. Auld: Except for the change in the environmental provisions because of the change in the legislation.

Mr. Renwick: Is that in some kind of a document as well, or is that just in the legislation?

Hon. Mr. Auld: It is in the legislation, as I understand it.

Mr. Renwick: So there have been no other documents exchanged with either Reed or Great Lakes except these documents.

Hon. Mr. Auld: No. I think there is a letter from the Treasurer, from which I believe he read, which indicates the position of the province regarding any claims against Reed in excess of $15 million.

Mr. Renwick: Would it be possible for us to have that tabled?

Hon. Mr. Auld: I believe it was tabled by the Treasurer.

Mr. Renwick: Was it read in full? Again, I have the memorandum of understanding. I have the letter which the minister sent over to me and the letter which was read by the Treasurer into the record. Does that tell me the whole story as it exists on December 11?

Hon. Mr. Auld: Except that I believe the member will find the memorandum of understanding refers to an environmental impact study. That has now been superseded by the Environmental Assessment Act which requires a different process.

Ms. Bryden: I would like to ask the minister what the Treasurer meant when he said that Great Lakes would meet environmental standards or even exceed them. What was he referring to when he said environmental standards?

Hon. Mr. Auld: I hate to say this, but I think the person to ask there would be the Treasurer. I heard what he said. I assume he was talking about the current environmental standards, but I would suggest the honourable member ask the Treasurer. I prefer to answer for myself and not for other people.

Ms. Bryden: It seems to me the minister should know what environmental standards are being placed on Great Lakes since it comes under his jurisdiction as well. Reed was under a very specific control order which was issued in August of this year. Presumably that control order died, or will die when Reed transfers the assets. The real question is will a similar control order be put on Great Lakes, or did the Treasurer have other environmental standards in mind.

Hon. Mr. Auld: On that, I think you had better ask the Minister of the Environment. He is the one who put on the order.

Mr. Renwick: In the light of the enlightenment the minister has provided for me about it, I am prepared with the consent of the assembly to withdraw the last amendment I proposed and which is before us.

[5:45]

Mr. Deputy Chairman: Mr. Renwick has asked permission to withdraw the amendment setting out a new subsection 7. Does the committee agree?

Agreed to.

Mr. Deputy Chairman: Anything further on section 5?

Anything on section 6(2)(11)?

Mr. T. P. Reid: I want to ask one question, if I may.

Mr. Deputy Chairman: On what section?

Mr. T. P. Reid: Section 8, Mr. Chairman.

Mr. Deputy Chairman: Shall sections 6 and 7 stand as part of the bill?

Sections 6 and 7 agreed to.

On section 8:

Mr. T. P. Reid: Under what circumstances does the minister see any reason for variance? I am presuming that anything that happens under section 8 will also be tabled as an amendment to the original agreement as set out in the minister's amendments thereto.

Hon. Mr. Auld: Mr. Chairman, I would describe this as an administrative change. At the present time the procedure for cancelling or varying the term or condition in a licence requires the licensee to surrender the licence and for the Lieutenant Governor in Council to approve the issuance of a new licence. There is quite a time lag to allow the necessary paperwork to take place.

The amendment will permit a change to be made much quicker, with less paperwork and with no hiatus, so the operator will not be in a position of having to close down or operate without a licence.

Mr. T. P. Reid: I fully understand that. But in the case of agreement under this legislation and the licences that may flow from it, will the House be informed when this action is taken as if it were an amendment to the agreement as we discussed earlier?

Hon. Mr. Auld: Really, it's not an amendment. A change in the licence might be required because of the provision in the agreement. It doesn't affect the agreement, but the agreement might affect the licence. I got an affirmative nod.

Mr. T. P. Reid: If you vary the licence, then obviously you are going to be varying the amount of allowable cut and the harvesting and regeneration.

Hon. Mr. Auld: Because of the agreement.

Mr. T. P. Reid: Yes.

Section 8 agreed to.

Sections 9 to 11, inclusive, agreed to.

Mr. Chairman: The committee has stacked one vote. I remind the members that there will be a bell up to 10 minutes.

The committee divided on Mr. Renwick's amendment to section 5 of the bill, which was negatived on the following vote:

Ayes 22; nays 68.

Section 5, as amended, agreed to.

Bill 77, as amended, reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill with amendments.

The House recessed at 6 p.m.

APPENDIX

(See page 5375)

ANSWERS TO QUESTIONS ON NOTICE PAPER

METRO TORONTO ASSISTED HOUSING

366. Mr. Dukszta: Would the Minister of Housing please table the financial studies conducted by his ministry, as noted on page 45 of the Metropolitan Toronto social services staff report, Assisted Housing in Metropolitan Toronto—Options for the Future, dated September 27, 1979? (Tabled November 27, 1979.)

Hon. Mr. Bennett: The financial studies referred to on page 45 of the Metropolitan Toronto social services staff report, Assisted Housing in Metropolitan Toronto—Options for the Future, consist of two computer printouts prepared by Metro Toronto staff. These printouts indicate the subsidy impact on the three levels of government of converting 75 per cent and 50 per cent of OHC units in Metro to market rents while the balance remain on rent-geared-to-income. The Ministry of Housing contribution was to supply certain requested information on public housing costs and rents.

Ministry of Housing staff did make some crude estimates of total initial subsidies required to replace each rent-geared-to-income unit lost in public housing projects with a rent supplement unit in the private sector. These estimates indicated that total subsidies for OHC units in Metro would increase by 16 per cent and 10 per cent for the options of converting 75 per cent and 50 per cent respectively of OHC units to market rents.

The Ministry of Housing fully realizes, and so indicated to the Metro representatives, that the above crude cost estimates do not provide sufficient information to make a judgement on either the desirability or feasibility of making such fundamental changes to the public housing system. We are currently involved in investigations that would provide us with better information on the desirability and feasibility of bringing about changes to the income and social mix in public housing.

If requested to do so, I would be pleased to approach Metro Toronto to ask them to release the computer printouts mentioned above.

PUBLICLY ASSISTED HOUSING

367. Mr. Dukszta: Would the Minister of Housing please table a list of Ontario Housing Corporation projects across Ontario with their addresses? Furthermore, would the minister indicate how many assisted units there are in each project? (Tabled November 27, 1979.)

See sessional paper No. 282.

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Ontario

No. 134

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Tuesday, December 11, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

Hon. Mr. Wells moved second reading of Bill 194, An Act to amend the Ontario Unconditional Grants Act, 1975.

Mr. Deputy Speaker: Does the honourable minister have an opening statement?

Hon. Mr. Wells: No, Mr. Speaker. I think I made a fairly complete statement before the introduction of the bill last week. I would be prepared to answer questions and comment upon statements honourable members might wish to make.

Mr. Epp: I am surprised the minister doesn't have a statement, but I appreciate the complexity of the bill and the amount of time left for us to finish a number of bills, not only this evening but in the time remaining until the Christmas recess, which should start in a week and a half or thereabouts.

As is probably clear to the minister and everyone in this House, we obviously plan to support this bill. There are, though, a number of points I would like to make.

First of all, it is quite clear this bill supports the principle that is very evident in our country, whereby the wealthy areas give support to the less wealthy areas. Revenue is collected at the provincial level and this is then disbursed to the 837 municipalities in the province.

Many municipalities will receive extra revenue through the resource equalization grant, but many will not. While a municipality which has a per capita assessment of somewhere around $10,650 or more will not receive the resource equalization grant, municipalities which have less than that will receive 60 per cent of the difference. Although there may be good reasons the figure of 60 per cent was chosen, we feel probably a greater portion of this could go to some of the less wealthy municipalities.

I understand the background for the resource equalization grant dates back to 1975 when the former Treasurer and Minister of Intergovernmental Affairs, Mr. McKeough, tried to consolidate a number of revenue-providing programs. This was done within the resource equalization grant. I thought this was a good move in 1975 and I still think it is a good move, because it helps the less able municipalities. It obviously establishes a greater sense of fairness for those municipalities which lack the industry and commerce that exist in many of the wealthier municipalities.

The point I would like to raise is I think there should be a long-term commitment to this program. Some of the municipalities are uncertain of what they are going to receive from year to year. If the government were in a position to give a commitment of greater certainty of the amount of money municipalities will be receiving, the latter would be better able to plan their future programs and their future commitments to their own citizens on a municipal basis.

I notice we're deviating slightly from what we have had in previous years in that before, the lower-tier municipalities received the grants and they in turn provided them to the upper or the regional municipalities. In this bill, I notice the province is committing their portion directly to the upper-tier municipalities. In other words, the lower-tier municipalities no longer play that intermediary role. I am wondering whether this is another step in the direction of de-emphasizing the importance of the lower-tier municipalities.

If that is the case, I very much regret it because I think it is the lower-tier municipalities which help to provide the base for this province so that we can see from that base we're going to have a fairly good future, providing, as the minister knows that we can continue to get our oil from Alberta.

I want to draw to the minister's attention a letter sent to the provincial government and agencies from a constituent of mine, dated November 2. This particular resident lives in Breslau, in the township of Woolwich. I realize the minister receives a lot of mail and he may not have had a chance to get to this particular letter, but one of this constituent's concerns as a taxpayer was that he pays X number of dollars from which he figures that with a tax of somewhere

around the vicinity of $600, some of that would go to the city of Kitchener.

He cites an example of $321 going to the city of Kitchener for a municipal levy, compared to $175.56 which would go to the municipality of Woolwich township and $151 to the city of Kitchener for a regional levy. Of that same amount of money, if he lived in the township of Woolwich, he would pay $225.25 to the region.

Although he is receiving the same amount of regional services as a person living in Kitchener, as a Woolwich resident he would be paying $225.25 compared to a resident in the city of Kitchener who would pay $151. He felt that as a resident of the same region, he should not be paying any more as a rural resident than a person living in an urban municipality pays for those same regional services.

He also cited an example where he would have to pay $442 to the city of Kitchener for the educational levy if he lived in that municipality, compared to $668.94 if he lived in the township of Woolwich. He was again penalized for living in a rural municipality in order to have the same kind of educational services as a person living in the city of Kitchener.

I would think those same kinds of statistics would hold true for other municipalities within the region of Waterloo, or in the regions of Peel, Halton, Niagara or Haldimand-Norfolk, or wherever one lives. A person living in a rural municipality would pay a greater amount of money for educational and regional services than they would be paying for the same kind of services obtained in an urban municipality and I think this is unfair.

When the province went to a regional form of government people were promised equity, fairness and so on. They have been waiting in my own regional municipality for six or seven years. They've been waiting in the regional municipality of Niagara for 10 years. They've been waiting in the regional municipality of Ottawa-Carleton for about 10 years and they're still not getting it.

I would hope the minister would seriously look at this since he's one of the senior ministers of the crown and one of the senior ministers who has clout in the cabinet as House leader and Minister of Intergovernmental Affairs. It's such a long title that I think he would carry the weight to persuade his colleagues in the cabinet to bring some kind of equity into this particular system. I would like to obtain from the minister tonight some kind of commitment to do what he can in the ministry to bring a fairness to the people of the region of Waterloo as well as to the people of other regions across the province

With that, I would again reiterate that we plan on supporting this bill as it is printed. We look forward to the minister's making some kind of commitment that he will look at this problem on a long-term basis rather than doing it on a very short-term, ad hoc kind of basis every year.

Mr. Isaacs: First, I would like to welcome the minister to one of our debates on a bill concerning municipal affairs. Unless my memory fails me, this is the first time the Minister of Intergovernmental Affairs has personally brought a municipal bill to this House since I've been responsible for municipal affairs for this party.

Having welcomed the minister, I have to say I don't know why he came before us today with a bill of this kind. The effect of this bill, as the minister is well aware, is to undo some of the problems that were caused by the new equalization factors published back in the summer.

When speaking to the PMLC on November 30, the minister went before that august committee and said, "I'm happy to provide you with information on next year's provincial transfers and would also like to give details of the plan for modifying the grant and apportionment effects of the new assessment equalization factors."

That's what this bill is all about. It's to modify a problem the government created because it didn't understand what it was doing when it brought in the new assessment equalization factors. It's to tone down the impact that could see residential and farm communities having to pay a tremendous percentage more in property taxes because of a reduction in grants and because of the changes in apportionment. It seems to me that property taxes are becoming a more and more complex issue and an issue that is more and more of great concern to the people of this province.

I want to make a prediction that the problem is going to get worse, even with this bill. By the end of next year, we will see a situation, if indeed we are still here in this parliament, where the people of this province are prepared to implement a proposition 13 in order to deal with the problem of property taxes, except that in Ontario we don't allow that and we will have to deal with it the other way.

We will have to deal with it by going to the people and telling them how the government has failed them in dealing with property taxes. It's failed them by dealing

with those taxes on a piecemeal basis, where in the summer it brings in new factors and in December it brings in a bill to undo the effect of those new factors.

We will go to the people and we will see a change in government so that we can see a progressive move in property taxes; so that we can see a transfer away from that form of revenue for the province and for municipalities; and so that we can put in place a property tax system that is fair and equitable and is based on the ability of municipalities and property tax payers to pay, rather than sponging them of every available thing.

[8:15]

Mr. Speaker, the timing of this bill is absolutely incredible to me. On November 30 the announcement was made to the Provincial-Municipal Liaison Committee, following by a couple of days a letter that had been sent out to municipal treasurers. Almost a full week later the announcement was made in this House and the bill was introduced.

It is impossible to deal with the very serious problem of property taxes in the time that remains available to us before this bill takes effect on January 1 of the new year. We cannot continue with the system we have in place now. We cannot continue to deal with property tax changes at so late a date in the year preceding the municipalities' fiscal year. We cannot continue to muddle through so that municipal governments never know what is coming next and never have an idea as to how much they are going to have to raise locally and how much they will be obtaining from the province.

This would be an ideal bill to send to committee so that the municipalities could come before us to tell us what they think of it and what they think of the grant-sharing system it puts in place. We already know the Association of Municipalities of Ontario is so strongly opposed to the system the minister is implementing for 1980 that it has withdrawn from PMCL. We know from the demonstration last week by the group from Frontenac county that even the small rural municipalities realize there is a very serious problem in this government's handling of the property tax issue. We know that nowhere in this province will you find people in municipal government who are content with the property tax system.

The timing has a second serious implication. Many municipal governments have already struck their spending estimates for next year. They are already either in committee or even before council for last-minute changes. Those estimates exist because this is not an election year and councils have had an opportunity to work on their budgets and have estimates in place. What is going to happen when they manage to get through the very complex calculations and find out what the impact of this bill will be on their municipalities?

What is going to happen is that they will cut in the only places they can cut with such incredibly short notice, the social service programs, the programs for senior citizens, the recreational programs and cultural programs, things that should not be cut, that should be considered as part of the overall program of the municipal council; and yet they have no option because they are not enabled to plan.

Mr. J. Johnson: What is your option?

Mr. Isaacs: I am interested to hear the comments as to what the activities of municipal governments should be. If the member is suggesting that programs for senior citizens and programs for children are the things that should be cut, as I heard him say—

Mr. J. Johnson: I am asking you to suggest what should be done. What should be cut?

Mr. Isaacs: Nothing should be cut. The grants that are provided from the honourable member's government to the municipal councils should be in place in sufficient time for the municipalities to plan their programs properly, instead of having to make the last-minute cuts caused by this kind of last-minute legislation.

There have been explanatory meetings held for municipal staffs right across this province, and at those meetings the municipal staffs and any elected officials that wanted to attend—up to a maximum of three persons per municipality—have been shown the form for calculating their grants for 1980. They have not been told what their grant will be. They have been given an eight-page, closely typed form, far more horrendous than any income tax form that anyone here has ever seen, in order to calculate their grants, and it is going to be several weeks yet before municipalities are even able to wade their way through that.

If we did not proceed with this bill, if we went ahead under the system of unconditional grants that existed for 1979 and worked reasonably well for 1979 when we did not have the new equalization factors, if we went ahead without this bill, the burden placed on some municipalities because of tremendous cuts in provincial grants would be intolerable. The residents and businesses,

particularly small businesses, of those municipalities simply would not be able to afford to pay the property taxes to keep the municipality alive and functioning. So we have no option but to look at this bill in that light.

The bill puts in place a formula, not directly but through ministerial discretion, for calculating the unconditional grants that municipal councils will receive next year. Wading through the material in the bill leads me to recall that when one was in school doing science experiments and didn't get the answer one wanted, one introduced a thing generally known as the fudge factor. The fudge factor was put there in order to adjust the experimental results one got to give the answer one needed in order to pass. That's what this bill is. It is a fudge factor to deal with the equalization factors that don't work properly, in order to give a system of grants that will pass, at least for 1980.

Mr. J. Johnson: And you are the fudge expert.

Mr. Isaacs: The member for Waterloo North talked about a long-term commitment. Yes, a long-term commitment is needed so that municipalities are guaranteed an amount of revenue that increases as costs increase and so they will understand that that figure will be there from one year to the next. They do not need what is contained in this bill as a long-term commitment.

It is my understanding from comments made by the minister and his colleague the Minister of Revenue (Mr. Maeck) that we will see some kind of new system for 1981. Some days in this House it seems to me that new system might actually be something we could sit down and talk about, perhaps even welcome. On other days, particularly in the last 10 days or so, some of the comments have suggested to me that it is just going to be another series of fudge factors. That is not what we need. We need a proper review of grants, a proper review of the property tax system; we need something that is fair and equitable for the people and businesses of this province.

This bill today is the only way to escape a very serious problem created by the government. We will be supporting this bill on second reading but we will ask that it go to committee of the whole House where we will introduce an amendment that makes it very clear that we believe the program proposed in this bill should run for one year only so the government realizes it has to come in with a new program in time to be considered by this House, in time to receive response from municipal government, in time for everyone across this province to understand where we are going with property taxes and in time to be implemented for 1981.

Mr. Deputy Speaker: Is there any other member wishing to participate in the debate? If not, the honourable minister.

Hon. Mr. Wells: Thank you, Mr. Speaker. I would like to comment on some of the remarks that have been made.

It has been drawn to our attention that with this bill we are changing from paying the resource equalization grant to just the lower-tier municipalities, to paying to the lower- and upper-tier municipalities. As I am sure my friend realizes, the practice heretofore has been to pay the lower tier and have the lower tier credit a certain amount to the upper tier, be it a county or a region. The process now is to make a little clearer exactly where that money is going and to pay the resource equalization grant to the upper-tier municipality as well as to the lower tier, then the upper-tier municipality will take that into account in apportioning its costs to the lower tier. It's really to make it a little clearer and to make it obvious to everyone that the upper tier municipality is actually benefiting from the resource equalization grant also.

In regard to the matter raised about the problem in the region of Waterloo, I would like to say I certainly can sympathize with that. I think we have all had that kind of problem brought to our attention and we would all like to see it solved. Perhaps the problem will only be solved when we arrive at some completely workable and true property tax reform with market value assessment. All I can say to my friend now is certainly those are the reforms I want to see brought in, so those kinds of differences will not occur and people with the same kind of home in a region be they in a rural area—

Mr. Lawlor: You have been wanting to say it for an awfully long time.

Hon. Mr. Wells: Well, we are still working and in the fullness of time I have every confidence we can come close to solving that particular problem.

I just want to say I was very interested in the comments of the member for Wentworth because I think his comments tended to be a little more negative and I wasn't sure from his comments whether he really wanted to support this bill, although he finally came around to saying he would support it in principle. I think he realizes he wouldn't want his party to be responsible for not having this bill passed.

First, I would say I think while we would all like the information to be made available a little sooner, I think the municipalities themselves would rather have us take a little more time to prepare that information and to prepare the details of our transfer payments than have some information earlier and perhaps not have it as complete or as full as it should be.

Under this year's transfer payments, we are transferring, in the resource equalization grant, a fairly substantial amount of money. In the total unconditional grants it seems to me we are transferring something very close to about 10 per cent over last year.

It is very interesting; the Association of Municipalities of Ontario decided it wouldn't participate in the Provincial-Municipal Liaison Committee because we couldn't come to any agreement on a formula and yet we're probably transferring as much money or more this year than we would have under the formula. I know the members have heard the statement made, "We would rather have the formula and less money." It's a great statement to make after the fact. I am not sure anybody in the municipal side really believes that.

The fact remains that this government, notwithstanding our restraint program, is transferring a sizeable amount of money to municipalities and we are doing it under this legislation with a set of modifications which I think take out some of the real inequities the new equalization factors present.

We could argue all night as to whether we should have brought in those factors, whether they are correct factors and whether they are calculated in a proper way. The fact remains, those factors created an inequity. They put a burden on the rural areas of this province and took it off the urban areas. They created an inequity by taking certain assessment and certain tax powers off the commercial and industrial areas and put it on residential—inequities we couldn't allow to happen and which will be modified by this bill.

I would like to reiterate, Mr. Speaker, as I said in my statement to this House and to the PMLC, it is our intention between now and July when the Assessment Act provides that my colleague, the Minister of Revenue, must bring in new assessment factors for next year, to have a system that will be more in line with what I think every member of this House wants and the municipalities want and that system will be developed with municipal expertise. Municipal people will be working on it—

Mr. Conway: July will surely be the millennium.

Hon. Mr. Wells: By July it will be here. If the member would like we can all be sitting here in the House waiting with bated breath to receive that new system.

Mr. Conway: We'll be here; you may not be.

Hon. Mr. Wells: I think we will be here just as we are today. I have every confidence that will be it. I will be most happy to be here in July, as I am sure my friend will be. We will tell the member then exactly how the new system will work.

Mr. Cooke: What about the Windsor situation?

Hon. Mr. Wells: The Windsor situation is the other side of the coin. The very wealthy municipality of Windsor—

Mr. Cooke: I only wish.

Hon. Mr. Wells: I had a good meeting with the mayor of Windsor the other day. While Windsor again isn't going to get the whole pot of gold at the end of the rainbow, I think Windsor will find it is going to be fairly treated.

Mr. Cooke: Are we going to get our $8 million?

Hon. Mr. Wells: No, they are not going to get their $8 million, but they will get at least as much as they got last year.

Mr. Cooke: Less than $8 million is not fair.

Hon. Mr. Wells: With those few words, I would like to say I appreciate the support from both parties for this bill. I would be happy to have it have second reading now. We can go into committee presently to consider the clauses in the bill.

Mr. J. Reed: On a point of order, Mr. Speaker, I am sure all the members in the House would be interested to know that just a few minutes ago the government's kissing cousins in Ottawa placed an excise tax of 25 cents a gallon on gasoline and 17 cents on diesel fuel.

Interjections.

Mr. Speaker: Order. That is not a point of order.

Motion agreed to.

Ordered for committee of the whole House.

REGIONAL MUNICIPALITY OF PEEL AMENDMENT ACT

Hon. Mr. Wells moved second reading of Bill 195, An Act to amend the Regional Municipality of Peel Act, 1973.

Hon. Mr. Wells: This is a bill to accomplish something the regional municipality of Peel and the municipality of Mississauga have agreed to and both would like. Unfortunately, it appeared earlier in a version that was not acceptable to all the parties.

This bill to amend the Regional Municipality of Peel Act is now a version which is acceptable to both the municipality of Mississauga and the region of Peel. What it does is allow the local municipalities in the region of Peel to carry out the function of industrial promotion. It still preserves for the upper municipality, which heretofore has had the sole responsibility of industrial promotion, the power to carry on promotion of the region in a variety of ways which a region would wish to carry out, yet, as I understand is the wish of the region, not carry out direct industrial promotion. In other words, it preserves the region's right to carry out promotion of the region and it transfers to the lower-tier municipalities in the region of Peel the power to carry out industrial promotion.

Mr. Epp: I am certainly grateful to my colleague, the member for Halton-Burlington (Mr. J. Reed), for drawing this very important matter to the attention of this House, Mr. Speaker.

Mr. Speaker: That is not a principle of this bill.

Mr. Bolan: It is a principle of the people of Ontario.

Mr. Epp: I am glad to be able to speak on Bill 195 which the province is bringing forward now, after withdrawing Bill 158 which also dealt with the municipality of Peel. I was surprised to learn, in dealing with the compendium and with the literature the minister and the government of this province have put before us, nowhere was there reference to Bill 158, which the government withdrew only a month ago and which dealt with this very same issue. The government has obviously done a flip-flop on this matter because it withdrew the bill after the parliamentary assistant to the minister made a motion in this House, which was supported by the government and the NDP, to withdraw that section. I'm very surprised that only a short time later it has brought in another bill which deals with the same subject.

Obviously, what is before us here is the request by the regional municipality of Peel and the area municipality of Mississauga to give to the various area municipalities the right to publicize or advertise lands which they have for industrial development. The bill is written slightly differently from the other one. In fact, I almost think they're trying to mislead us a little because when you compare the two bills, it's a little more—

Mr. Gregory: Have you lost your place?

Mr. Epp: No, I didn't lose my place. It's deliberately more inclusive in that an area municipality can publicize these lands as industrial, agricultural, business, educational, residential or vacation centres, whereas the regional municipality can publicize them as agricultural, business, educational, residential or vacation centre lands. In the other bill we referred more specifically to industrial land and in this one we give the impression that both are treated equally, but in fact they're not. For publicity purposes that is the case but for ownership it is not the case. In other words, the local municipality does not have in this bill, as it had in the other bill which the government then tried to amend, the right to own industrial land. This is where the change comes and this is why the government withdrew the former bill.

That's most unfortunate; however, we have no particular choice in this. The local municipality and the region have indicated—and particularly the local municipality—that, although they would like to own land, they will not have the opportunity to own land because the province will not go that extra step. Mr. Speaker, I know you're concerned about this matter because it concerns a very important principle for this province; that is, local autonomy for the municipalities. The government is not going far enough in this particular piece of legislation. We're caught between the devil and the deep blue sea because we're going to have to support this piece of legislation and give the municipality half a loaf rather than a whole loaf, unfortunately.

Without much ado, we will support this bill. We do regret the fact that the government hasn't permitted local municipalities to own industrial land, nevertheless we'll have to wait another year or two before we can give them that prerogative, that particular legal right which they obviously should have. Other municipalities have it. In my own regional municipality of Waterloo, local municipalities can own industrial land and can build on it, expand on it, advertise and promote anything they wish. In other words, there is competition within the region between the various local municipalities. That, I think, is healthy, wholesome and good if we believe in a free-enterprise system.

Mr. Isaacs: Mr. Speaker, this bill somehow seems to have had a long and tortuous history in this House, all of which has taken place this fall. As the member for Waterloo North indicated, we first of all dealt with this matter when we were dealing with the Act respecting Certain Regional Municipalities. At that time there was an obvious flaw in wording in the bill and the parliamentary assistant brought in an amendment that was designed to clean up that wording. That amendment was defeated because we do not support the principle of this bill and because my colleagues on the right joined with us in opposing the amendment. Following that defeat, the minister withdrew the section of the bill entirely, which was appropriate because the wording was so bad, and came back with another bill. That one stayed on the Order Paper for a while and was then withdrawn and replaced by this bill.

It is important that we look at what this bill is trying to do and that we look at it in the context of the entire province of Ontario. I don't blame the regional municipality of Peel or the city of Mississauga for seeking what this bill enables them to do: that is, have three separate industrial development commissions instead of one, or to apportion the cost of one or more industrial development commissions unevenly across the entire region by making them a lower-tier responsibility rather than an upper-tier responsibility.

I don't blame them for doing that, because with the financial situation municipalities are facing, they are going out to seek all available industrial development. But in so doing they are competing with each other for the very limited amount of growth happening in this province. And they are doing so because it is the only way they can bring anything in the way of decent tax increases to their own municipalities.

But to allow free enterprise between governments seems to me to be the height of absurdity. This bill seems to contradict everything regional government in Peel was put in place to try to achieve when those governments are within one region and when regional government was established to enable municipalities to work together towards a common goal rather than compete with one another.

We have a very serious problem with industrial development at the present time and we have that problem because it is completely out of the provincial government's control. Municipalities are competing; they are putting in sewers and services and all the incentives they are allowed to put in to attract development and in doing so they are costing taxpayers right across this province a considerable amount of money. They are ensuring that the development of this province in an industrial and commercial sense will be disorderly rather than orderly.

An official plan is needed for Ontario. We need to designate where industrial growth should be encouraged to go, where it should be permitted to go and where it should not be permitted to go, except, perhaps, for growth of existing industry or for small business. We believe the provincial government having put that in place then has a responsibility to promote not one municipality, not one region, but the entire province and to put in place a climate that ensures jobs will be provided for the citizens of this province and that the economy of the province will be built to a state far better than that which is the result of 37 years of Tory rule.

The bill is moving in entirely the wrong direction. It is furthering the competition. It is putting the municipalities within Peel in an incredible situation where they will or could be competing with each other. It will be encouraging them to compete with Metropolitan Toronto, drawing industry from Metropolitan Toronto at the expense of the taxpayers of this province.

We cannot support the bill and we would urge the government to go in the reverse direction, putting in place a provincial plan and an industrial development strategy for this province that properly serves all taxpayers instead of allowing an absurd system of competition between the municipal levels of government. We will be opposing the bill.

Hon. Mr. Gregory: Mr. Speaker, I feel it is appropriate that I say a word or two since this bill directly concerns the riding I represent.

Mr. Epp: Part of it.

Hon. Mr. Gregory: I wish certain members would not heckle me. I'm not going to hurt them. We didn't even call for a vote because there are no members in the House.

Mr. Nixon: You should, you know; there are only three to one.

Hon. Mr. Gregory: We're being nice.

I would like to comment on this because of some of the comments of the member for Wentworth who obviously knows nothing about Mississauga. He wouldn't know Mississauga if he tripped over it. He really has no knowledge about the industrial situation in Mississauga or in Peel.

[8:45]

Before there was ever even a region of Peel or a region of Hamilton-Wentworth or

anywhere else, Mississauga always had a history of being very successful in attracting industrial growth within its borders. I know that's in total opposition to the member's philosophy. The member feels the provincial government or some other government somewhere, some power on high, should impose industrial development on areas. I firmly believe it is the right of a municipality itself to select whether it wants industrial growth, rather than have a provincial government, through a so-called province-wide official plan, impose that industrial growth on it. I don't feel that way.

Mr. Warner: You don't believe in planning.

Hon. Mr. Gregory: I think the member would find that the region of Peel, and particularly the city of Mississauga, is probably the most highly-planned area, including the one we're in at the present time, of any in Ontario. They have an official plan for the region of Peel which has been submitted to the provincial government. Industrial growth in the region of Peel is planned. They're doing very well, thank you very much. I think they will do even better. The only thing that is going to interfere is if people with attitudes like that of the member destroy that.

We're quite happy to have growth promoted in Mississauga. The region of Peel is the second-level government body of three successful communities—Mississauga, Brampton and Caledon. They're all Tory, by the way, which is unusual. I guess that's because they're successful.

As a matter of fact, we have even gone so far as to determine what the people there wanted. That's something the member's party never does. They don't worry about what the people want. We have found that the region of Peel, the city of Mississauga, the city of Brampton and the town of Caledon want precisely what this bill is going to do.

I would be really and truly delighted if the members opposite divided on this. I would love to have them on record the way they truly believe. I don't think they do truly believe anything. They flip-flop all over the place. I would be pleased if the members divided on this. I would love to take it home to Mayor McCallion and those people in the region of Peel. There is the odd deluded soul who sometimes agrees with their philosophy. There are very few of them, but even in the region of Peel—Tory Peel—there is the odd New Democrat. They are hard to find. We try to jail them when we find them.

If the members would divide on this, I would love to have it on record.

Hon. Mr. Wells: I think my colleague from Mississauga East has put the case very well as to why we want this bill. I would just like to correct a couple of things that have been mentioned during this debate. I'm not even going to get into the whole argument about this hogwash about an official plan for Ontario and the dictatorial placement of industry and so forth.

I notice my friend and colleague from Scarborough-Ellesmere nodding his head and saying that's great. He should do that when he comes out and talks with the industrial commissioner in Scarborough who is very vigorously promoting our municipality of Scarborough, as I believe he should and as I'm sure he wants it promoted, just as I want it promoted. I see nothing unhealthy in the borough of Scarborough promoting and the city of Mississauga promoting industrial growth and industry coming to this province and finding that area it wants to settle in.

I want to say the city of Mississauga does not want the power, as the region has, to buy and hold industrial lands.

Mr. Epp: They've said they probably wouldn't get it if they asked for it.

Hon. Mr. Wells: No. That's not right. That's absolutely wrong. I asked the mayor if that's what they wanted and she said they did not want to hold industrial land. They wanted the region to have that. Let's get that very straight. All they want is the power to carry out industrial promotion, to have an industrial commissioner and so forth.

We're doing exactly what they want. We're not denying them anything. We are supporting local autonomy.

Mr. Epp: Would you give it to them if they asked for it tomorrow?

Hon. Mr. Wells: I would certainly consider it, if that's what they wanted, but they don't want it. They want it left the way it is.

I have two letters here written to my parliamentary assistant. The first one is from the mayor of Mississauga, saying she has looked over the bill and both her solicitor and the solicitor for the region are happy with the draft. The other one is from Frank Bean, the chairman, saying: "I appreciate your co-operation and that of the minister in providing an opportunity to comment on the draft legislation. I have discussed the draft legislation with the mayors of Brampton and Caledon and we find it acceptable. I would appreciate being advised of the progress of the bill through the Legislature."

Mrs. Campbell: That sure is great enthusiasm.

Hon. Mr. Wells: My friend from St. George says, "That's great enthusiasm." What it is is local autonomy. With this bill, we're doing exactly what the local area wants.

Mrs. Campbell: You won't give them what they want.

Hon. Mr. Wells: Why does the member for St. George say we won't give them what they want? We're giving them exactly what they want. They do not want the right to buy and hold industrial land, they want the right to promote it. They're getting that right in this bill. I suggest that all members of the House who believe in true, local, municipal autonomy will vote with us on this bill.

Motion agreed to.

Ordered for third reading.

House in committee of the whole.

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

Consideration of Bill 194, An Act to amend the Ontario Unconditional Grants Act, 1975.

Mr. Deputy Chairman: Mr. Minister, do you have any comments to start with?

Hon. Mr. Wells: No.

Mr. Deputy Chairman: Does any member wish to speak to any particular section of the bill? The member for Wentworth.

On section 1:

Mr. Isaacs: I have an amendment to section 1. I have copies for the minister and the critics of the Liberal Party. Its intent is the same as the amendment I gave them earlier today but the Legislative Counsel recommended minor changes in wording.

Mr. Deputy Chairman: Mr. Isaacs moves that section 9(1) of the act as set out in section 1 of the bill be amended by striking out "in each year" in the first line and substituting in lieu thereof "in 1980."

Mr. Isaacs: The amendment makes it very clear that this act deals with 1980 only and the authority for unconditional grants, if this amendment is approved tonight as I expect it to be, will expire at the end of 1980. We believe the current mess in property taxes and unconditional grants has to be resolved in a very major way for 1981.

In his comments earlier the minister indicated that he indeed was prepared to look at bringing in changes to the system of grants and to the system of equalization factors when he brings in the new factors in the summer of 1980. That may not be early enough, given that municipal councils are not yet involved in a process to deal with new grant components. They are not yet involved in a process to review the property tax system we have. They are not yet involved in a process to ensure that the distribution of grants and the apportionment of costs between municipalities will be fair in 1981, where it is unfair in 1980.

I find it strange that the minister is promising the new system will be with us by the summer of 1980, when no one seems to know what is going on at the present time. It is inconceivable to everyone to whom I have spoken that the property tax system can be revised in time for an announcement in July 1980.

We would certainly like to see the work was going on. We would certainly like to see municipal government being involved in it and we would like to have an indication of the direction the government is taking. They have failed very miserably to provide an indication of that direction.

The minister earlier referred to the formula that was requested by the AMO and over which they withdrew from the PMLC. I want to say to you, Mr. Chairman, that the people who are representing AMO on PMLC are in general people I would describe as being in support of the government. It must give the minister very great concern when his own friends from the municipal level of government are treating him so badly.

We believe this amendment will ensure that municipalities will have a guarantee of a new system of raising revenues and of receiving grants for 1981. We believe that if the bill is left without the amendment, there is every possibility we will stumble along through 1980, into 1981 and into a property tax mess that is intolerable, not just to the government, but to every citizen of the province.

That is why we see the amendment as being so important. It provides the guarantee the people of the province need that a new system will be in place for 1981. I want to back that up very quickly, Mr. Chairman, with a comment that if indeed, as the minister has suggested, we are still here and in exactly this form in July 1980 and possibly even later in 1980, then we will not be prepared to accept another bill in the same form as Bill 194 for 1981. We will refuse at that time to go along with the shenanigans of the government in the property tax field and we will turn to the people and ask them to decide whether they want a responsible approach to property taxes, or whether they want the kind of mess contained in this bill and in everything that goes along with it.

Mr. Chairman, the amendment limits the effect of the bill with regard to unconditional

grants to one year, and I very much hope the minister will accept this amendment as a show of good faith to the municipal level of government and to the people of this province in regard to his commitment to bring in a new system of grants and a new system of apportionment for 1981.

Mr. Cooke: Very briefly, Mr. Chairman, I want to support this amendment and I want to support it for the reason that in the short debate I heard on second reading of this bill there was discussion about the municipalities that would have a shift in taxation and would get less money from the government, were the resource equalization grants properly distributed.

In my home town of Windsor we have been taken advantage of by this government for a number of years now; I think the total amount the provincial government now owes us is close to $60 million. This year alone it would be $8 million and the minister says we may get as much as $3 million of the $8 million they owe us. That simply isn't acceptable to the people of Windsor.

[9:00]

I hope the minister will accept this amendment. Next year my party will not support this kind of Band-Aid treatment for the property tax system in this province.

Property tax is a very regressive form of tax. We get regressive taxes from the provincial government and, of course, tonight we heard from the federal government which is implementing former Liberal policies and further regressive taxes through the increase of the excise tax. We get them from the federal government and we get them from the provincial government. The people of this province and the people of Windsor are sick and tired of it. They won't take it again.

The one-year extension is acceptable to the people in this party; it is not completely acceptable to me, but none the less, my caucus has accepted it. Next year you can be sure we won't support that kind of ridiculous legislation.

Hon. Mr. Wells: I would like to comment on this amendment. It has been suggested that acceptance of this amendment would be a show of good faith to the municipalities of this province, that, I think it was phrased, "we mean what we say." I think the municipalities of this province already know we mean what we say when we bring in something that will be more effective and more useful to them next July when the new factors come in.

I just want to say that I believe, Mr. Chairman, acceptance of this amendment would cause a deterioration of a situation which my friend has already pointed out. He is really saying: Vote for an amendment tonight that says to the municipalities that after the year 1980 there will no longer be any more resource equalization grants. That is a lot of nonsense. You are taking another part of the whole municipal unconditional grant structure and saying there are going to be no more REGs. The section you are amending is the general section that has been in the Unconditional Grants Act since 1975 and which provides the general authority to pay the resource equalization grants.

The problem we have this year is not the resource equalization grants, it is the equalization factors and how they are used in the computation of the resource equalization grants. In fact, as far as municipalities are concerned, the use of those factors, while it is important and certainly it is to the resource equalization grant, is even 10 times more important to the calculation of the general legislative grant.

We are talking about roughly $150 million transferred to municipalities in resource equalization grants provided for under this legislation, a policy of this government since 1975. We are talking about over $2 billion transferred by the Ministry of Education in the general legislative grant and we are talking about procedures in this bill today to modify the bad impact of the new equalization factors on the resource equalization grant.

To suggest we are not going to have a resource equalization grant in this province after next year is nonsense. It would further confuse the municipalities of this province if that were to happen. Therefore, I have to tell my friend there is just no way we could accept that amendment. We believe the resource equalization grant, even in the new system that we bring in, may be part of the total package of unconditional grants which we are working towards and even hope to increase for the municipalities.

I am afraid we can't accept that amendment because we believe resource equalization grants should remain—at least in the minds of the municipalities and in the minds of the people of this province, if not in the minds of the members of the New Democratic Party—as part of the grant package of this province until we are ready to replace them.

Mr. Epp: Mr. Chairman, I guess I can clearly indicate we cannot support this amendment for the simple reason that in

trying to take one step forward it is taking about 27 steps backwards.

I think what the municipalities want in this province—and I was a municipal councillor for almost 10 years—is a permanent legislative commitment as to the kinds of grants and the extent of those grants they will receive from the province. By suggesting that by limiting this particular act to 1980 and forcing the government of this province to come back to the representatives in this Legislative Assembly next year to ask for additional moneys to give the municipalities for 1981 is like asking the municipalities to get on their knees in front of the province every year.

I believe, and this party believes, that we need a long-term commitment, something we have been after this province for many, many months, both in conditional and unconditional grants. They are not receiving that; they are receiving part of that in the resource equalization grants. There is no way that this party, the Liberal Party of the province, which hopes and plans to and certainly anticipates forming the government of this province within the next 12 to 24 months, will in any way support a suggestion that we go on a stopgap, one-year measure of paying the municipalities.

So we cannot support this particular amendment. When the opportunity arises we intend to go on a much longer-term basis.

I want to correct a perception left earlier by the minister in dealing with this particular matter in resource equalization when he said in December 1979 that is the earliest they can really present the transfer payments, the resource equalization formula for the municipalities. I might point out to him that his predecessor, on September 16, 1977, announced the transfer payments to the various municipalities. I would hope he would put pressure on those who are responsible for delaying this measure. Because of the equalization factors there may be some reason for having it somewhat delayed this year, but I would hope they plan on having it announced much earlier next year so that municipalities can plan a little earlier.

Mr. Charlton: Through you, Mr. Chairman, to the minister and to the Liberal member who just spoke. We have no quarrel with resource equalization grants and I think the minister is well aware of that. We are unfortunately forced to deal with the bill that is in front of us here. We are forced to deal with the situation; for 10 years we have been in an ever-worsening situation.

The minister made some remark in his comments about confidence on the part of the municipalities. There isn't very much confidence there at all. The fact that if this amendment were to pass it would put a limiting factor of one year on the section that deals with resource equalization grants would in no way prohibit this government and this minister, when they come back next July and announce their new and complete package, from again including this kind of a grant structure if they feel it is an appropriate part of this new package they are going to bring in.

I speak now to the members of the Liberal caucus. The intent of this amendment is to try and deal with a situation we discussed at length last week when the Liberals referred the assessment bill to the general government committee. It concerned the ad hoc nature of what has been going on in property taxation and municipal finance. The Liberals at that point expressed a very, very sincere desire to get on with the job and straighten out the mess and make things clear to municipalities and fair to them.

This government has proved beyond any shadow of a doubt—and we would like to believe the government but they won't sit down and talk to us effectively about the direction in which they are heading, the kinds of things they are looking at. They leave us in the dark; they leave the municipalities in the dark. They don't answer questions when we ask them except to say, "We are going to do something new in 1981." They expect us to have blind-faith confidence, when the record shows quite clearly that that confidence is not warranted. We spent 10 or 12 years trying to have confidence in a government we thought set out to implement property tax reform in this province. We haven't got it and the problem we are having this year is a result of the fact that we do not have property tax reform.

I say to my Liberal colleagues and to the member for Waterloo North who just spoke, I suggested when we discussed this whole situation in committee last week and I suggest again now that the only way we are going to get to the long-term solution is to start forcing some of the issues instead of hiding from them.

Mr. Isaacs: I want to make a couple of comments in support of the amendment and in response to the comments made by the minister and the Liberal critic.

The member for Waterloo North, on behalf of the Liberal Party, talked about setting in place rather than providing a one-year,

stopgap measure. I want to suggest to him through you, Mr. Chairman, that if what is contained in this bill is what the Liberal Party wants to set in place as the system for paying unconditional grants, then the people of this province are going to hurt very, very badly when the new equalization factors come in in July of next year. If the system this bill proposes is allowed to remain in place for 1981 with simply a new round of equalization factors, the transfer of burden to residential and farm communities in general is going to become very serious indeed.

We are suggesting that we deal with this as an emergency measure. It has been brought to us by the government at the very last minute and with inadequate consultation with the municipalities—in fact, essentially no consultation—and with no real opportunity to get to the roots of the property tax problem. We are suggesting we treat this as an emergency measure rather than setting in place a system that no municipal council and no taxpayer—if we could find a way to explain this to at least a percentage of the taxpayers—in this province wants as a long-term program. We are suggesting we guarantee it is a one-year program and then introduce and deal with a new system for 1981.

The minister suggested perhaps we didn't understand the impact of this amendment and that it would mean no resource equalization grants for 1981. We understand that very clearly, but we are fed up with promises from the government, fed up with hearing that there will be a new system next year. "Let's just postpone it one more year," they say, as they did with market value assessment in the bill discussed just a few weeks ago. That was a one-year postponement.

We are saying let's deal with a one-year situation and have an assurance that the government must come back to this House to deal with grants for 1981. This mechanism is the easiest, simplest and clearest way to do that. Municipal governments and taxpayers will understand very clearly that we are suggesting to them that, of course, grants will continue, but that there will be a new program in place for 1981, as the minister has promised, and this House will have the opportunity to debate that new system and make sure it is put in place.

I want to make one more remark with regard to the idea that this bill is going to be here for years and is going to be a continuing system for paying municipalities. The very section we are amending contains a description of how to calculate the resource equalization grant and says, "the amount of grant shall be based . . . on the proportion that 60 per cent of such deficiency of equalized assessment per capita bears to the prescribed standard equalized assessment per capital as applied to the net levy of the lower-tier municipality." I hope the minister understood that, because that's what is in his bill. The problem is that any change to the equalization factors next year will automatically require that that section be amended, because that section is dependent on the total amount of money available and the total effect of all the equalization factors. [9:15]

That 60 per cent is not a number that is geared to the particular philosophy about providing grants. It's a number that arises out of the emergency situation we have and enables the government to use the amount of money it has allocated to resource equalization grants to provide municipalities with a buffer against the effects of the new equalization factors plus an annual increment for increases in the cost of living.

So that particular section will have to be amended anyway for 1981, Mr. Chairman, but we want to be sure that the whole matter is looked at again in detail and that we do not just have a government amendment that says that in section 9(1) of the Ontario Unconditional Grants Act you change 60 per cent to 62.3 per cent. We want not just to deal with that one tiny number, but to open up the whole issue of grants and equalization factors and collection of revenue from the property tax payers of this province to a full debate in the House and perhaps in committee, where the municipalities and the tax experts from across the province and the ordinary taxpayers who are concerned about property taxes and the amount for which they're being hit in their pocket books can come before us and tell us and the government that this kind of playing around is not good enough and we need a good, long-term program, perhaps even a formula, as has been suggested by AMO.

This amendment is to ensure, as best as we can with the bill that's before us, that that full and complete public and municipal debate takes place next year before we get into this mess again. I would urge the Liberal Party and the minister to recommend their position and to say to themselves, "Would it not make more sense for us to go to the municipalities and taxpayers and to say, 'We are going to look at the property tax system for 1981 and to show our good faith we have accepted an amendment that says that this mess is for one year only and

we will come back with a new and complete long-term system for 1981' "?

Hon. Mr. Wells: Mr. Chairman, I just want quickly to draw three or four things to my friend's attention. First of all, the 60 per cent has been in there since 1975. It's not something new that has been added for this particular year because section 9, subsections 1 and 2 as they appear now have been in the act since 1975 and provide for a resource equalization grant.

If parts of that section have to be amended next year, so be it; I have no problem in doing that. I just have a problem in taking out the words "in each year" and putting in that there'll only be a resource equalization grant for 1980 and after that it depends upon another bill in this Legislature. I think we need the stability of people knowing that that unconditional grant will remain; the way it's calculated may vary.

The member has asked though about the special measures that are in this bill for this year. Indeed, I would think the member would at least give us credit for that because all the special measures that are in this bill for this year have 1980 in them, so they cannot be used for next year.

We've said this program for modifying the equalization factors for this year is not meant as a phase-in. It's not meant as a standard upon which we will base future years' programs. It's a this-year-only program and 1980 appears in sections 2, 6, and those sections that apply to the modification and adjustments for this special program this year. I just say to my friend that tinkering with section 9 of the act is, I think, too much and something we can't accept.

Mr. Deputy Chairman: All those in favour of Mr. Isaac's amendment to section 9(1) of the act as set out in section 1 of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 1 agreed to.

Sections 2 to 9, inclusive, agreed to.

Bill 194 reported.

ARCHITECTS AMENDMENT ACT

Consideration of Bill 176, An Act to amend the Architects Act.

Mr. Sterling: Since second reading of this bill, I have provided members opposite with an explanation as to the sections of the Architects Act which relate to this particular amendment, sections which make this necessary in order to achieve the purpose of providing architects with a tool for offering their services within a corporation to foreign or offshore clients.

I hope the explanation has been satisfactory and invite comments from the members opposite if they have any further questions.

Mrs. Campbell: I do want to express my appreciation for the explanation forwarded to me by the parliamentary assistant. I think the major problem in trying to read the purpose of this bill was really the explanatory note which confused me, certainly, in trying to cope with the meaning of it.

I found the explanation to be quite satisfactory and we will not oppose this bill.

Mr. Warner: Like my colleague from St. George, I also appreciate the explanatory memorandum which was sent over. Had this explanatory memorandum been appended to the bill when we received it the first time, we would not have had to come back here tonight. Unfortunately, the bill as it was originally tabled and the notes with it did not sufficiently explain the purpose of the bill. That led to prolonged discussion the last time we sat here.

I am certainly satisfied with the information provided during the past week. As far as we are concerned this bill can be passed without amendment.

Bill 176 reported.

UNIFIED FAMILY COURT AMENDMENT ACT

Consideration of Bill 180, An Act to amend the Unified Family Court Act, 1976.

Mr. Chairman: Mr. Sterling moves that section 24 of the act, as re-enacted in section 1 of the bill, be deleted and the following substituted therefor: "24. This act is repealed on July 1, 1982."

Mrs. Campbell: Again, I would like to express my appreciation to the parliamentary assistant. During our earlier debate on this bill I expressed my very deep concern that by leaving the repeal at the election of the Lieutenant Governor in Council we were really removing any kind of pressure in the provincial-federal discussions about the extension of the project, or indeed in getting on with whatever we might be doing or able to do in this province.

It seemed to me we needed a firm date and I expressed that wish. Therefore, the fact that this amendment is before us is totally acceptable to us. Again, my appreciation to the parliamentary assistant.

Mr. Warner: It is a great pleasure to see that the debate which we had on the previous

occasion had some positive effect. Quite frankly, the government doesn't often respond favourably to arguments put forward by the opposition members. In this case, it did.

The member for St. George and I and others argued that we really shouldn't have a perpetual pilot project, which the unified family court in Hamilton appeared to be. It would assist everyone involved if we could have a termination date placed in the legislation. We made the arguments and there is no point in going back over them.

The parliamentary assistant has responded quite admirably and come back with an amendment which I can enthusiastically support.

Motion agreed to.

Bill 180, as amended, reported.

MUNICIPAL AMENDMENT ACT

Consideration of Bill 173, An Act to amend the Municipal Act.

Sections 1 to 7, inclusive, agreed to.

On section 8:

Mr. Chairman: Mr. Isaacs moves that section 8 be amended by deleting the words "that is licensed or funded under an act of the Parliament of Canada or the province of Ontario in subsection 1(a) of section 386a of the said act."

[9:30]

Mr. Isaacs: There are all kinds of group homes. There are all kinds of organizations that could seek to set up a group home within a municipality.

As the parliamentary assistant who is looking after this bill on behalf of the minister is aware, the city of Toronto had been wanting to put in its own private bill a definition for group homes that subsequently would have allowed the city, by bylaw, to describe what a group home is.

Not every group home is licenced under an act of the Parliament of Canada or the province of Ontario. Group homes can be set up by organizations—very legitimate and usually charitable organizations—to care for people who fall into the other categories described in this particular section of the bill, but without federal or provincial licence and without the need for federal or provincial licence.

Most group homes at the present time do receive funding from the federal or provincial governments. We appreciate that, though we feel quite often that the funding is woefully inadequate. But with the direction the government is going in terms of social services and in terms of support for this kind of facility, the day may come when a group home exists that is not funded by the federal or provincial government but from some other source, from donations from industry or from private individuals. Given that licensing may not always be necessary and given that the regressive policies of this government may mean funding is not available in the future, we feel it's quite inappropriate to tie the matter of registration of a group home to federal and provincial licensing.

We believe the rest of the section to which this amendment relates deals very adequately with the definition of group homes and amendments we will be introducing subsequently allow a municipality to add to that definition if the municipal council feels an addition to the definition is appropriate for its local circumstances. We see no need at all to restrict registration to homes that are already registered, in a sense, with the federal or provincial government because of licensing or because of funding.

It concerns us too that duality of registration, in a sense, would be built into the legislation. We do not understand why the government sees it as necessary. We do not understand why municipalities cannot be allowed to deal with that of their own accord.

In case the parliamentary assistant comes back with comments from the city of Toronto, I want to tell him very strongly that group homes exist, and we hope they will exist very much more in the future, in many other municipalities. We do not understand why this particular restriction is placed in the provisions for registration. We hope that the government will see our point of view, that the provisions for registration should be made as broad as possible and that it will accept this particular amendment.

Mr. McClellan: I don't want to repeat the argument that's been made by my colleague. Our concern is that the definition of group homes in section 8 is too restrictive and that there are a number of facilities which would be classified as group homes and which will be excluded from coverage under this statute by virtue of the definition here that they are required to be licensed or funded under an act of the Parliament of Canada or the province of Ontario.

I would draw the parliamentary assistant's attention to the report, Group Homes, prepared by the Provincial Secretariat for Social Development in 1978. On page 19 there is a discussion of current provincial and municipal control standards, where the secretariat

sets out quite clearly what our problem is with the existing definition as drafted by the government.

The report reads, "Licences are granted to group home operators under only five of the 14 group home programs." There are 14 different group home programs in the province and licences as of the writing of this report were required for only five of the 14.

It is my understanding that some of the children's reform legislation has increased the coverage of group homes which are subject to provincial licensing, but there are still a number of categories. I have to confess I am not entirely sure how many, but there are still a number of categories of group home which don't require provincial or federal licensing, so they would automatically be excluded by virtue of the narrowness of the government definition in section 8. That is the point we are trying to deal with here in the amendment.

Reading again from the report, "Under 10 of the 14 provincially-approved group home programs operators are expected to comply with provincially-established standards of operation, which are set out in some cases in legislation, in others in manuals or written into the contract."

There are five that are licensed and there are, I gather, another five where there is some degree of provincial control, but not licensing, and then there appear to be four other categories of group homes which are neither licensed nor subject to any provincial standards of any kind. They would include, according to the report, approved homes, satellite homes for the aged, children's aid society homes and juvenile detention centres.

I am asking the honourable member to reply. I am expressing a concern that I think is a real one—that your definition is too narrow and that by making it too narrow in terms of the licensing requirement you are excluding categories of group homes.

One of the reasons I liked the city of Toronto's definition in Bill Pr5 is because it includes not just group homes that are funded under an act of the Parliament of Canada or under an act of this Legislature, but it also includes group homes which receive referrals from a government agency, from a hospital or from a court. I thought that was a neat way of making a comprehensive and inclusive definition.

I understand from the parliamentary assistant that he is prepared to permit the city of Toronto to continue to live with its definition of group home as set out in Bill Pr5 and that he will be presenting some amendments to Bill Pr5 which will tidy things up a bit but which will retain the essential definition contained in the city of Toronto's model bylaw.

My concern is that is a good definition and it shouldn't be limited to the city of Toronto. I think the amendment gets around the problem by defining group homes in terms of size and objective without restricting it unnecessarily by the requirement for licensing, simply because the licensing isn't comprehensive at this point.

Again, I invite the parliamentary assistant to try to deal with those concerns because I am quite convinced they are real and legitimate.

Mr. Rotenberg: Mr. Chairman, I would like to thank the two members opposite for their concerns, because they certainly are legitimate concerns. Although I will try and explain to them why I will not support their amendment—I hope I can convince this House that the amendment should not be supported—I think the New Democratic Party member who has spoken and the government, including the ministry I represent and the Provincial Secretarait for Social Development which has been very much involved in the drawing of this legislation, all are trying to achieve the same objectives. I don't think there is any dispute on what we are trying to achieve, it is just really a matter of how to best get there, probably more in the short run than in the long run.

First, Mr. Chairman, I would like to commend the city of Toronto publicly because they really pioneered this type of legislation. If you look at section 8 of this bill you will see it somewhat parallels the original part of Pr5, the city of Toronto's bill. I accept from the members of the New Democratic Party that more communities than the City of Toronto require group homes. If it was just the city of Toronto, this section would not be before us; we simply would have amended Pr5 because, as you are aware, at this point the provincial government and the city of Toronto are in agreement. The city of Toronto expressed that agreement by resolution of the council last evening, of which I think you have a copy.

We are doing this because it is our intention and policy, as it is with the New Democratic Party, to encourage other municipalities to pass zoning bylaws. The key is not a bylaw that can be passed under this section of the act; the key is to encourage municipalities to pass zoning bylaws which will permit group homes.

The important thing to remember is that this is not a bylaw for licensing. This is permissive legislation to register, not to

licence. The member for Bellwoods used the word "licence" a number of times in his presentation. I don't want to be critical but I don't know if he was from time to time confusing licensing with registration. I don't think so, but the word licence came up a number of times.

Mr. McClellan: You must have misunderstood what I was saying. I understand the bill perfectly well.

Mr. Rotenberg: Yes, I think you do now. As I say, we all understand that this legislation, no matter how it is interpreted, does not restrict the municipality's right to zone. This legislation is permissive and allows a municipality to pass a registration bylaw. If it so desires a municipality could zone for types of group homes and it doesn't have to register them because they register a class or classes. Municipalities can prohibit unregistered group homes from operating, but they can also permit unregistered group homes to operate if they so desire.

So really not having the total definition the New Democratic Party has indicated they want does not necessarily restrict a municipality from passing a zoning bylaw. It does not restrict a municipality from allowing group homes if they so desire, group homes which would not be covered under this.

Mr. McClellan: But as you define them, that's the problem. You can only register a group home according to your definition.

Mr. Rotenberg: You can only register the group home.

First of all, to the best of our knowledge almost all group homes would be covered under this legislation. In section 8 section 386a(1)(a) refers to group homes that are licensed or funded, not licensed and funded, by the province or the feds.

As the member for Bellwoods mentioned, I think almost all of the categories are funded by one or the other government. We have group homes which are funded by Community and Social Services, we have homes funded by Health, homes funded by our Solicitor General, homes funded by Correctional Services and group homes funded by the federal Solicitor General, so it really does take in almost all of the group homes.

The reason we have restricted the types of homes that can be registered—and I would indicate the member for Bellwoods read from a report of the Social Development secretariat that wants this legislation and has asked for this legislation—is because we want to encourage municipalities to establish zoning.

The experience so far has shown this is a very fragile process. It is a very difficult process. There is a lot of resistance out there in ratepayers groups, in homeowners groups, as we have seen in the city of Toronto and in the city of North York. There is resistance to the zoning bylaw, which is the key one—this is not nearly as important as the zoning bylaw—which would allow group homes to go in.

Although I recognize this is province wide we have to draw upon the experience of the city of Toronto, because that experience really has guided us because we have had some reaction from the folks out there. It was sold to the ratepayers groups in the residential areas of the city of Toronto on the basis there would be control and there would be registration and there would be inspection.

[9:45]

We are saying, in effect, in this legislation that, for the present, until we get group homes accepted across the province, we want to encourage those group homes. We want to be able to go to the ratepayers, and maybe assist the municipal councils in going to the ratepayers, and say, "Yes, we want you to accept group homes, but we have two sets of controls on the group homes we are asking you to accept."

One set of controls is the municipal registration which says who they are, where they are, the distance apart, and who the responsible person is so that if there is an emergency at two o'clock in the morning, the registration indicates who to phone up and so on. That's one part of it. The other part of this is that these homes will also be subject to provincial inspection. Every group home covered by this legislation, not just those which are licensed but even those which are unlicensed but funded by the province—because we are now licensing children's homes as you indicated, and others will be licensed as we get on to them—is under provincial inspection.

We can go to these ratepayers groups and the municipal council can go to these ratepayers groups and say, "Look, all we want to do at the present time is bring in those kinds of group homes which will have the dual control of the province and the municipality."

As I said, we have had considerable resistance to group homes. Believing not only in local autonomy, but believing that, even if we don't, municipal councils do listen to their ratepayers, I know their approval is very important in order to be able to sell those group homes. We have been able to do it in

the city of Toronto. There has been trouble in North York. As we know, the North York bylaw is now before the Ontario Municipal Board. North York wants to restrict certain types of group homes and not allow certain types of group homes, which it has a right to do, but the types of group homes it wants to exclude in its zoning bylaw are those types covered under the funding category and, therefore, covered under this legislation.

I think when we can go to other municipalities and ratepayers and say, "Yes, there is going to be this dual control of provincial inspections and municipal registration," it will be easier to sell this to these various ratepayer groups.

There are not very many, but there are some group homes around which are not provincially or federally funded or licensed. These would tend to be the uninspected ones. These would tend to be those which would probably cause more trouble in a neighbourhood than the provincially inspected ones—not necessarily, but they tend to be. We are a little apprehensive, just a little apprehensive. When I say "we," I am not just talking about the ministry because the Social Development secretariat is very much involved in this; they are the ones who are pushing for the group homes and encouraging them. But if we do get an unlicensed, uninspected, unfunded group home which gets into a neighbourhood and which could give group homes a bad name, at this stage of the operation when they are new, it might discourage that municipality or other municipalities around it from bringing in zoning bylaws—because of this bad experience.

In effect, what we are saying is, in the initial stages, until group homes are socially accepted as part of the normal landscape in a residential neighbourhood, let us encourage only those which are controlled both by the province and the municipality so that, to the best of our ability, there will not be too much fuss or problem in a neighbourhood.

Mr. McClellan: Could I interrupt you at this point?

Mr. Rotenberg: I will yield the floor to the member for a moment.

Mr. McClellan: This is where the honourable member loses me. He is saying that there are some group homes—and I would be grateful if he could identify the kinds of group homes—that aren't licensed, but then he goes on to say, "Well, let's just pretend they don't exist." That's the implication of his argument. He is saying there is a category of group homes that isn't under provincial legislation, inspection or standards, and so he wants to exempt them from registration. That simply means that neither can the municipality deal with them.

You are defeating your own argument. Your argument is that you want quality—and so does everybody—you want quality and standards in the group homes that are going to be established in neighbourhoods, but you are saying there is a category of group homes which is outside the standard setting process and isn't subject to inspection and, therefore, you are going to also exclude those homes from the capacity of the municipality to register them and control them.

That doesn't make any sense to me. If you are not going to do it, then you have to give the power to the municipality to look at it. You can't just say, "We will leave this third or fourth class set of facilities outside the purview of anybody's control."

Could you explain that apparent inconsistency and, secondly tell me what specific group-home programs still remain outside the orbit of legislation, or funding, or inspection, or standard setting?

Mr. Rotenberg: First of all, let us understand that the purpose of all this, the zoning and the registration, is to get them into residential neighbourhoods. The types of group homes which don't come under these classes can still go in most municipalities, in higher residential or commercial neighbourhoods; they are not being excluded from the municipality. I am again drawing from the city of Toronto example. What we are encouraging is to get these group homes into the residential neighbourhoods.

There are some crisis-care centres which probably do not qualify under these categories, but not very many do not. Of those that do not qualify for funding or provincial inspection we say, yes, they can be set up in a municipality but for the moment, until all group homes get a good name, let them go into those areas of zoning they are now zoned for and not necessarily into the residential neighbourhoods.

As I indicated earlier, I think the members opposite and the government have the same goal in mind, to encourage group homes into the neighbourhood. Those members of our staff, more in the Social Development secretariat than the Ministry of Intergovernmental Affairs, which is carrying this bill because it is a municipal bill, have the feeling and the experience that in doing it this way, by taking one step at a time, we will do more to encourage group homes.

I am not going to convince the members opposite. We can agree to disagree, but hope,

whatever way it comes out, there will be a number of municipalities which under this legislation and having a little more protection will be encouraged to zone for group homes in their more restrictive residential neighbourhoods more than they are doing right now.

Mr. McClellan: I am going to try once more because I don't seem to be getting through to the parliamentary assistant.

You are permitting the city of Toronto, which has developed the model zoning bylaw, as far as I am concerned, for the rest of the province, to define group homes in the broadest possible sense, so that for purposes of the Toronto city bylaw you don't have to be a licensed or funded group home, just a group home that is consistent with the number of people living in the facility for the purposes set out in the definition.

That permits the city of Toronto to register any group home within the boundaries of the city of Toronto, and that is the protection the city of Toronto has in moving to a model bylaw. That is what guarantees the orderly establishment of group homes throughout the city, so they won't all be concentrated on one street in the Annex, or Parkdale, or Bellwoods. They can be established on an orderly, spaced basis throughout the whole city.

If you are to exempt categories of group homes from the registration process, you take away the capacity of the municipality—in this case the city of Toronto—to control their orderly establishment. You have recognized that because you have conceded to the city of Toronto—I gather in formal discussions and through a formal understanding—that the city of Toronto will be permitted to keep its own definition of group home in Bill Pr5. Good; I applaud you for that. It is very sensible.

What I am asking you do do is extend the same broad definition to all other parts of the province, so that when we are looking at North York, and you are trying to encourage North York to develop a model bylaw, there won't be a class of group homes which is excluded from the enforcement provision of the model zoning bylaws. That is what this bill permits municipalities to do; it permits them to enforce their model zoning bylaws so there can be the orderly establishment of group homes. If you exempt a category of group homes from registration, then you are defeating the purpose of your enabling legislation.

I don't know, and don't make any pretence to know, the number of group homes we're talking about in the excluded category. I suspect it's more than insignificant and it may be substantial, I don't know, but I'm just uncomfortable with the kind of exclusion that seems to be a likelihood in the minister's legislation, because I feel it will serve to discourage the achievement of the objective of the legislation.

That's the argument I'm trying to make in favour of the amendment.

Mr. Rotenberg: Mr. Chairman, I'll try just one more time. Let's look at municipality X out there. Someone attempts to bring in a bylaw and you get a lot of ratepayer organization opposition, as we did in Toronto and overcome it—as we did in North York where we didn't overcome it. Ratepayers are going to say, "Look, you're going to pass a bylaw, you're going to allow group homes; what controls have we got?" The municipal officals are going to say, "We're only going to pass the bylaws for those which are also provincially inspected." Ratepayers are going to be pretty happy with that.

When you say to them, "We're going to allow group homes"—and it's the perception more than the reality, as you know, when you get into some ratepayer meetings—some guy is going to come up and say, "Hey, but the registration bylaws allow you to register all those kinds of things, including the non-inspected ones. We're against them all because you're going to sneak in the non-inspected ones on us." In those situations the municipality is going to have trouble getting their bylaw through; this has been our experience.

If we take one step at a time there will be a time, I say to the honourable members, five or 10 years down the road, when they've been accepted and we can abandon that control, but to sell it to new municipalities our experience has indicated this is the best way, because ratepayers will be more content to allow the zoning to go through and won't object at OMB or whatever when they know the dual control is there.

That's the reason we're doing it this way, our experience indicates to us it is the best approach. With respect to the members opposite who agree or disagree, all the advice I can get from those in the field trying to sell group homes says this is the best way to get group homes in the province at this time.

Mr. Isaacs: I certainly don't want to prolong this debate, but I'm getting more and more confused by the approach the parliamentary assistant is giving us on this.

I don't know whether I can put it any differently from the way my colleague from Bellwoods has already put it, but I want to

start from the other end of the registration procedure. The entire procedure that is set out in this section of this bill allows the registrar to inspect a group home, or to inspect premises that are being used as a group home that is not registered. It allows the council to pass bylaws to prohibit people from owning or operating group homes that are not registered according to a bylaw passed under this section.

Given the very restrictive definition that this section has for group homes, the registrar will have no authority to inspect a home that is being used as a group home but which is not funded or licensed by the federal or provincial governments. It seems to me that it would be quite appropriate for the municipality at least to have the power to inspect, even though the federal and provincial governments are not involved.

Second, not all municipalities have zoning bylaws in place to encourage the orderly development of group homes; indeed in many municipalities the matter is still in dispute. One example that is currently gaining public attention is a situation in Dunnville, where the council by its actions appears to be attempting to prohibit a group home from being established, yet the current zoning bylaw allows a group home in a residential category. That's fine, I don't have any problem with that; but that group home is not receiving capital funds from the government and is not licensed federally or provincially, although it may receive provincial operating funds once it opens, but the municipality can't even put in place the registration procedure until the group home is opened because it is not licensed and is not receiving funds until it is opened. That is an incredibly backhanded way of doing things.

[10:00]

Surely it makes sense to allow the municipality to implement registration on any home that is being used as a group home or even planned to be used as a group home as soon as that matter comes to the attention of the municipality. I really have difficulty comprehending for those two reasons: inspection and prohibition, if the need arises, which let's hope doesn't, but might. Those are not available to the municipality under this restrictive definition of group home.

It is encouraging the operating of unregulated and possibly unsatisfactory group homes and ensuring that because neither the federal nor provincial government is involved in their operation, the municipal government shall not be involved either. I really cannot see the logic of that. I also have difficulty understanding why you have to wait until the thing is going and getting money before the municipality can register. In all other registration procedures, application is made before one opens the door rather than afterwards.

I still have difficulty understanding the rationale behind this restrictive definition the parliamentary assistant is trying to assure us is satisfactory. I don't buy the argument of leaving such a restrictive definition in place, when it seems to me we could improve the role of municipalities in the registration of group homes by broadening the definition as we are suggesting by this amendment.

Mr. Epp: I find this discussion very confusing, to say the least. I would like to get clarification from these two personalities as to what they are trying to discuss and the clarification they are trying to give this House. To my mind, it is more confusing.

For the benefit of the House, let me read what we are discussing. We are discussing the definition, " 'Group home' means a residence that is licensed or funded under an act of the Parliament of Canada or the province of Ontario for the accommodation of three to 10 persons, exclusive of staff, living under supervision in a single housekeeping unit and who, by reason of their emotional, mental, social or physical condition or legal status, require a group living arrangement for their wellbeing."

I ask the parliamentary assistant, very respectfully, what would he call a residence that is not necessarily licensed but is established "for the accommodation of three to 10 persons, exclusive of staff, living under the supervision in a single housekeeping unit and who, by reason of their emotional, mental, social or physical condition or legal status, require a group living arrangement for their wellbeing"? What would he call that?

I am going to give the parliamentary assistant the opportunity to answer that right away because I want to know what that is. If a group home is one that is licensed by the provincial or federal government, what is something that has the same characteristics but is not licensed? Obviously, it is not a group home, according to this definition.

Secondly, how are they controlled? If, in fact, such an establishment exists, how is it controlled?

Mr. Rotenberg: I think what the honourable member described, if it is neither licensed nor funded by the federal or provincial government, would still be a group home in general parlance, but would not be a group home for purposes of this act. As for control, it would still be controlled under the municipal zoning bylaw.

With respect, this does not change the function of municipalities to zone. A municipality may zone a home in or zone a home out, whether or not it comes under the registration procedures.

As I was trying to explain to the members opposite, the purpose of being more restrictive is we are not trying to encourage municipalities to pass zoning bylaws to allow group homes. We know from experience in those municipalities where we have tried to encourage them that there is ratepayer resistance. What we are trying to do, in the initial stage at least, is encourage those group homes which the province is supporting, controlling, funding, inspecting, whatever, because those are the easier ones to get in. By doing it that way we are confident we can get municipalities to pass zoning bylaws, not bylaws under this section but zoning bylaws, which if they are a little more restrictive will be easier to get through the ratepayer groups, easier for residents to accept if they know they are group homes which are in effect inspected and controlled by the province of Ontario.

We do this in order to encourage municipalities to pass those kinds of bylaws so we can work consistently and together with the municipality, to put those kinds of group homes in first. If the others come along the municipality still has the option of zoning for or excluding. The main control is still under zoning bylaws; this is just a little bit of extra we put in.

The members have to understand this isn't the main control. We're putting this in because the experience in Toronto and other municipalities has indicated that ratepayers who have this little extra control of registration are a little more prone to accept in a zoning bylaw the type of group home we want to encourage.

This is not the main control; the main control is still to the zoning bylaw of the municipality.

Mr. Epp: We get the impression from the comments of the parliamentary assistant, and I'm trying to be very sympathetic to him, that by virtue of zoning the group home is established, when in fact the kind of zone the group home is in is immaterial to the particular status or establishment of a group home.

I think he is trying to confuse the whole issue by continually trying to integrate in his discussion the different zoning bylaws. It's really immaterial whether the group home is in an industrial zone, a residential zone, a commercial zone, in any other kind of zone. What we're dealing with here is a group home. I think the parliamentary assistant should limit his material and his comments to that rather than trying to confuse the issue with the different kinds of zones.

Mr. Isaacs: I just want to respond on this matter of zoning, and because it's easier to talk about a specific example I'm going to use the Dunnville situation, not because I want to pick on that municipality but because I happen to have the facts in front of me.

In Dunnville up to five unrelated persons can live in a single family residence. The Dunnville zoning bylaw in a residential category permits that. It has nothing to do with group homes, it is just a general provision that up to five unrelated adults can live in the same home.

Along comes the Haldimand Association for the Mentally Retarded and says, "Fine; we can put five persons in a single-family home and use it as a group home."

I have no objection to that, it seems to me to be quite a reasonable thing to do. It's permitted by the zoning bylaw, it falls within the definition of group home that is given here, as long as we take out the licensing or funding provisions, because five is between three and 10 and they're living in a single housekeeping unit and because of their emotional, mental, social or physical condition they require a group living arrangement for their wellbeing—so it's a group home.

It seems to me it would help the situation if the municipality could register that group home. I cannot understand why we're excluding it by the wording the parliamentary assistant is trying to convince us is satisfactory.

I really don't want to prolong this, but it seems to me vital for allowing the kind of development the parliamentary assistant is speaking of that we allow registration where zoning bylaws permit, regardless of these other encumbrances that just make it more complex and ensure there will be group homes operating in municipalities that cannot be registered because they don't fit under this very restrictive definition.

Mr. Chairman: All those in favour of Mr. Isaacs' amendment will please say "aye".

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Mr. Isaacs: I have a second amendment on the same section. I believe you, Mr. Chairman, the parliamentary assistant and the critic for the Liberal Party have copies.

Mr. Chairman: Mr. Isaacs moves that section 8 be amended by the addition of the following:

"(5) No council may pass bylaws under this section unless there is in effect in that municipality a bylaw under section 35 of the Planning Act which encourages and governs the orderly development of group homes within the municipality."

Mr. Isaacs: As a result of the last discussion, I think I at least have an understanding of what the government is trying to do in this section, although I don't particularly agree with the approach they are taking. I know the parliamentary assistant has acknowledged previously that we are all working in the same direction to encourage group homes within residential areas in municipalities where that is desirable.

We're suggesting, by this motion, that the whole matter of registration, given the discussion that we have just had, now be tied to bylaws that encourage the orderly development of group homes.

In some ways you might say we predicted the comments that were made. I think we understand what the parliamentary assistant has been trying to tell us is his approach to the problem. We are therefore asking that this subsection be added to section 8 in order that it is made very clear to municipalities that the encouragement is there and if they want to make use of registration then, by all means, they should do so, but should pass bylaws that regulate, encourage and govern the orderly development of group homes within their municipality.

That seems to me to be a logical consequence of the kind of discussion we've just had and what I sense to be the approach the government is trying to take on this particular issue. I hope the parliamentary assistant is prepared to accept this amendment.

Mr. Rotenberg: Mr. Chairman, I'm sorry to disappoint my friend from Wentworth, but I don't accept the amendment for two reasons.

Firstly, a zoning bylaw is a legal document. With respect, the word "encourage" is not a proper word to appear in a zoning bylaw. The word "encourage" is a proper word to appear in an official plan. Although I don't think it belongs in this particular section, I would be very pleased if the various municipalities put in their official plans that they would like to encourage the development of group homes within their municipality.

Secondly, although I think the intentions of the member for Wentworth are proper and good and we are on the same wavelength, if this amendment is passed I think it might do just the opposite to what he wishes us to do. Maybe some municipalities will pass a zoning bylaw to allow group homes. If they do that's fine. It would allow group homes. But because of ratepayer pressure and so on they may be a little reluctant to put the word "encourage" into the bylaw. They may wish to take a more passive attitude.

The member for Wentworth is saying, in effect, that unless a municipality not only passes a zoning bylaw to allow group homes but includes in the statement it is going to encourage group homes, it is not going to be able to have the registration procedure.

As I say, that is one reason for my opposition. The main reason I can't accept the amendment though, is simply that the word "encourage" does not belong in a zoning bylaw. In other words, the zoning bylaw is a legal document and I'd hate to see the court cases that might come up to decide whether or not something was encouraged and whether or not the zoning bylaw was legal.

It's much cleaner, much neater and much better for group homes if we don't pass this amendment, even though we might all want to encourage them.

[10:15]

Mr. McClellan: It strikes me as one of the more specious arguments that have come from the parliamentary assistant.

Mr. Conway: And there have been many.

Mr. McClellan: There have been many. The amendment is not intended as a model zoning bylaw. I don't know how anybody could take it to be intended as such. The amendment does not read, in any way, shape or form, as an instruction as to how the model bylaw or the municipal bylaw should be worded.

Everyone is aware that the province has drafted and sent a copy of a model bylaw to all municipalities throughout the province. There is no possible way you could read the amendment as instructing any municipality to use the word "encourage" in the drafting of the model bylaw. That is absolute nonsense.

What the amendment does is tie registration into the passage of a model bylaw. It makes the power to register group homes conditional upon passage of a model bylaw. It is as simple as that. If the parliamentary assistant is opposed to that principle, why doesn't he just say so?

It really demeans the debate to be reading that kind of nonsense into a patently self-evident and crystal-clear amendment. We are just trying to do what the government should have done itself, that is set out in the legislation the purpose of the legislation.

The purpose is to encourage municipalities to pass a model bylaw by giving them the means to enforce the model bylaw through

registration. What we are trying to avoid is to have a municipality use registration in a negative, punitive or discriminatory way against group homes. What we are trying to do with the amendment is say to a municipality, "We will allow you to register group homes and to control the orderly establishment of group homes on the condition you pass a bylaw that encourages their orderly development in the first place." What is so difficult about that?

Mr. R. F. Johnston: I would like to rise and support what the member for Bellwoods has just said. It strikes me that everything the parliamentary assistant has been saying, although he premises it with the fact we are all going in the same direction and we all want group homes, is to talk about ways to protect the reluctance of a community from taking on group homes.

The whole idea of the provincial government perhaps taking five or 10 years to get all the municipalities in this province to accept the fact there is a basic human right involved for people who are disadvantaged to be able to live in their own communities, in my view, is outrageous. All this amendment does is exactly what the member for Bellwoods says. One brings in any bylaws one brings in in a positive framework with one's own model bylaw which encourages and governs the orderly development of group homes. It seems to me the flim-flammery we are hearing in the parliamentary assistant's argumentation is that he really doesn't support the idea of group homes moving in as quickly as possible into the municipalities around this province at all. He is doing everything he can to minimize and slow down this process.

Mr. Rotenberg: I would simply say the amendment, although well-intentioned, will put another stumbling block in the way of a council that wants to bring in group homes. They may not interpret the bylaw quite the way the NDP wants it.

Mr. Isaacs: The last comment just astounds me. We attempted in the previous amendment that was defeated to remove a stumbling block and we are attempting here to provide an incentive to municipalities to put in place a zoning bylaw that deals with group homes explicitly and which encourages their orderly development. The parliamentary assistant comes back to us and says it puts a stumbling block in the way.

We have just been talking about how it is necessary to encourage municipalities and to encourage the residents of neighbourhoods that may be affected to recognize that the controls are in place. We are suggesting that by encouraging the municipality to put in place a proper zoning bylaw to deal with group homes, with the extra measure of protection that can be given to the residents the municipality can be encouraged to move in that direction, and the people of the area can be assured that through zoning bylaws, which are far more effective than registration and probably even more effective in terms of ensuring that premises are kept orderly than provincial or federal registration, the residents could be assured, if this section is approved, that the zoning is correct and that the zoning deals with the situation of a group home, as well as the other things that are contained in this particular bill.

I really have difficulty, Mr. Chairman, with the parliamentary assistant's last comment that it is a stumbling block. Quite the reverse, it is a move in a positive direction, encouraging municipalities to put in place the model bylaw, or something like it, that the ministry has already circulated to them. I fail to understand how anybody could interpret it as a stumbling block.

Mr. Epp: Mr. Chairman, I have been listening to this debate. I am wondering whether by deleting two words in this amendment, certainly based on the comments of the parliamentary assistant, it might very well be acceptable to him. That would be the deletion of "encourage and," so that it would then read: "No council may pass bylaws under this section unless there is in effect in that municipality a bylaw under section 35 of the Planning Act which governs the orderly development of group homes within that municipality."

As you recall, the parliamentary assistant took particular exception to the word "encourages." Deleting those two words would obviously make it very acceptable to him.

Mr. McClellan: I was about to propose exactly the same thing. Why don't we just take out "encourages and" and you can indicate your acceptance?

Mr. Rotenberg: If you really want something in there that the legislative council suggested, it would end up, "No council may pass bylaws under this section unless there is in effect in that municipality a bylaw under section 35 of the Planning Act that permits the erection and use of group homes in municipalities."

That covers it, but it is redundant. If you really want it in there I don't object; but you don't need it, because obviously unless it is in the zoning bylaw you are not going to have a group home and therefore you have no registration. If you want something

like that, I have no objection to it. As you say the objection was to "encourages". I don't mind wording which is almost the same as the member for Waterloo has put in, but it is unnecessary because it is redundant.

You cannot, as I say, have a group home unless you have a zoning bylaw; and you don't have to have a model bylaw if you have a simple amendment to the zoning which permits the group home; then you go ahead. If you want that, I don't object to it.

Mr. McClellan: I don't feel it is redundant. I feel it is necessary that there be some specific amendment that states the purpose. I am quite pleased with the wording the parliamentary assistant has proposed. I think my colleague could be persuaded. If you would like to move that as an amendment we will withdraw our amendment; but we will wait until the parliamentary assistant moves his amendment.

Mr. Rotenberg: I will write that out in a moment. If you stand that down and deal with the next section I will have the revised wording in the proper form in a moment.

Mr. Chairman: Just for clarification. Mr. Rotenberg moves that section 8 be amended by adding the following subsection:

"(5) No council may pass bylaws under this section unless there is in effect in that municipality a bylaw passed under section 35 of the Planning Act that permits the erection and use of group homes in the municipality."

Before I can accept that amendment I will have to ask the member for Wentworth if he wants to withdraw the previous amendment.

Mr. Isaacs: With the understanding that the parliamentary assistant is moving that alternative, Mr. Chairman, I will withdraw my amendment.

Agreed to.

Mr. Chairman: I have read the amendment placed by Mr. Rotenberg. Is there any further discussion?

Mr. Rotenberg: Could I ask that the word "erection" be changed to "establishment"?

Mr. Chairman: The word "erection" has been changed to "establishment."

Motion agreed to.

Mr. Chairman: Mr. Isaacs moves that section 8 be amended by the addition of the following:

"(6) No bylaw under this section shall seek to prohibit the operation of group homes within the municipality."

Mr. Isaacs: I will be very brief. I think the intent of the amendment is very, very clear. The parliamentary assistant indicated on second reading it was his understanding that this was already provided for in this section of the bill. Our reading of it does not make that clear to us and we are therefore moving that it be made very explicit in this section on registration that it cannot be used to prohibit the operation of group homes whether or not zoning bylaws are in effect.

We would be concerned that a municipality could appear to be moving in the right direction by implementation of the model zoning bylaw and then could pass bylaws under this section to negate the effect of that zoning bylaw, given that it is easier to change bylaws dealing with registration of group homes than it is to change zoning bylaws, because changes to zoning bylaws can be forced before the OMB, where bylaws relating to registration may not be sent to the OMB. We are suggesting that this amendment clarifies that very simply and makes sure that the intent of this section is clear to everybody.

Mr. Rotenberg: Mr. Chairman, with respect, I can't support the amendment. In effect it negates section 8 (386a)(2)(b) which now enables municipalities to pass bylaws to prohibit any person from owning or operating a group home that is not registered.

If we say in one section you can prohibit a group home which is not registered, which is the municipal control they want, and then turn around in another section and say you can't prohibit, we are negating the bylaw.

The purpose of the New Democratic amendment is simply that they cannot withhold registration capriciously. That is covered under section 3 which says where application is made to register, they must register.

Mr. Chairman, I can't support it because it negates the whole section.

Mr. Isaacs: Mr. Chairman, the point that the parliamentary assistant has made may have some validity and maybe is something that we have overlooked. I appreciate his recognizing that the intent of this amendment is a good one and I am sure that by the time this bill comes up for final consideration we can ensure that it is dealt with appropriately and that an amendment is before the committee that does not have this particular conflict.

Mr. Chairman: Is there further discussion on section 8 and this amendment?

Mr. Warner: Yes.

On motion by Hon. Mr. Gregory, the committee of the whole House reported one bill with amendments and two bills without amendment.

The House adjourned at 10:30 p.m.

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No. 135

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Third Session, 31st Parliament
Thursday, December 13, 1979
Morning Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, DECEMBER 13, 1979

The House met at 10 a.m.

Prayers.

ORDERS OF THE DAY

CONCURRENCE IN SUPPLY

MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Mr. Cunningham: I would like to use this occasion, if I could, to correct a misconception that seems to rest with the Minister of Transportation and Communications (Mr. Snow) and from time to time the Premier (Mr. Davis), which is the illusion that I and my party somehow endorse the operations of the Urban Transportation Development Corporation.

From time to time, Mr. Speaker, we do get to Kingston. It seems to be an annual event. We travel down, usually in a bus. Sometimes I am impressed with the poor conditions, not of the bus but of the highway; last time certainly it semed a rough and rocky ride.

We go down there and we have a nice meeting with Mr. Foley and Morrison Renfrew, the head technical guy. Some lovely Scandinavian sandwiches are served and we just have a fine time. The member for Etobicoke (Mr. Philip) and I usually get a chance to ride the train. It goes around and around; it really is a lot of fun.

Then we concur in giving the government the money, as we are of course going to do today, because we certainly don't want to have an election based on our lack of confidence in the UTDC. This has been going on now for a long time.

Mr. Haggerty: Too long, Jim.

Mr. Cunningham: In fact as my colleague indicates, it has gone on for too long and there are some of us who are wondering when we are going to see some orders made. If the minister was a travelling salesman and he was as unsuccessful as he has been in getting foreign orders and doing business, I mean real outside-of-Ontario business, I think he would be looking for a new line of work.

I want to say, as well, that I and my party are dedicated to the concept of rapid transit and public transit. We feel, and have felt for a number of years now, that improvements should be made. We endorse the fine GO Transit system, which could be improved, significantly improved; and quite frankly we are quite proud, as I am sure the minister is, of the fine Toronto Transit Commission operation here in the city, which is probably one of the finest transit systems in the world.

What we would suggest is that we might be much further ahead if we were to dedicate the moneys that have been squandered and wasted on the UTDC to the GO system and to more conventional methods of rapid transit assistance, and that includes the smaller municipalities too. People in Ancaster and Dundas in my constituency, for example, require assistance with regard to the operation of buses in that particular area, and that is not uncommon to most smaller municipalities.

As the price of fuel goes up, it is clear that we are going to have to put an even greater emphasis on these areas; I would hope as time goes by we can reallocate moneys that are going to come to the government in windfall situations based on excise tax increases and the normal increase in the cost of gasoline, to the TTC, and other municipal transit operations and also to improving the GO system.

I would be delighted if I learned that Kirk Foley and company were successful in one of their bids. I was informed by the Minister of Industry and Tourism (Mr. Grossman) the latest proposition is Miami and the Miami people are quite impressed. We have heard they are impressed, and we heard people in Saudi Arabia are impressed. Kirk has been all over the world, but so far no orders. It is getting to be like Minaki-on-wheels. You are in so deep—

Mr. Kerrio: Something like the Candu reactor.

Hon. Mr. Snow: You will eat those words.

Mr. Cunningham: I am sure I will. I just don't know how old I will be.

Hon. Mr. Snow: That's just like the former leader of the opposition.

Mr. Cunningham: I would just like to be a fly on the wall in one of these cabinet meetings when some of the private enterprise

guys in your cabinet, and I believe there are a few left—

Mr Haggerty: Not many.

Mr. Cunningham: The Minister of Intergovernmental Affairs (Mr. Wells) pops his head up, he probably is in private enterprise. Darcy must be laughing right now, really. I can just see these cabinet meetings where he comes in and asks for another pile of dough for this Minaki-on-wheels situation. If it was all that hot, the private sector would be doing it; and doing it more effectively, certainly, than Kirk and company.

I would hope the minister would somehow ensure there won't be an increase in TTC fares this next year, because I am very concerned as a result of this budget tabled by his kissing cousins in Ottawa.

The minister used to complain about the lousy relationship he had with the former administration there, he was one of the first ones to complain about that; and now that relationship is worse than ever with these new guys.

As a result of this new increase on diesel fuel, not only are the trucking companies of Ontario going to be affected, and everybody else who uses diesel fuel, but also the TTC will be affected significantly. That increase will throw their budget somewhat out of whack, maybe to the tune of $3 million or $4 million, which might mean the freeze we were anticipating and hoping for may not result and an increase may have to take place. I hope much of this money which I hope you would reapply will go to the TTC and others.

I'll conclude by just saying there isn't any great endorsement, by myself, my leader and maybe the transportation critic for the NDP, for this UTDC operation. I wish it were privatized and in the private sector. There is a far greater argument for privatizing that operation than there is in the case of Petro-Canada. I wish it were successful, but I just don't know how long we can condone its lack of success and how long the people of Ontario must have to foot the bill for what I call Minaki-on-wheels.

Mr. Philip: Mr. Speaker, you may have noticed last night my skills with the knife as your assistant in carving up the ham. I hope the minister doesn't think I am using the same kind of tactics at this time.

The Liberal transportation critic has dealt with an issue I would like the minister to address himself to, that is the effect of the new federal budget on the Toronto Transit Commission. I would hope one would hear from the minister some definitive promise that the TTC will not be placed in the position, because of the diesel fuel situation and because of the tax situation, where fares will have to be increased and ridership will be affected.

I find it interesting that this government has done so little in connecting this ministry with the Ministry of Energy and that so little energy research is actually being done by this ministry. When we look at other countries, we see that by 1981 in Germany buses will be on the road in Berlin running on a perfectly safe and absolutely pollution-free form of fuel called hydrogen.

I find it interesting the ministry only now has started to get together with the Ministry of Energy to hold joint seminars on pooling of information for their staffs.

Mr. Speaker: Would the honourable members for Riverdale (Mr. Renwick) and Scarborough-Ellesmere (Mr. Warner) please hold their conference elsewhere. It must be very disconcerting to the member who has the floor.

Mr. Philip: I wonder how much the minister is aware of the connection between transportation and energy, since there seems to be very little coming out of his ministry in this area, but I won't belabour that because of the time.

I would like to deal with one issue I am extremely concerned about since it directly affects my riding, and that is the problem we have been talking about in numerous estimates for a long time, the problem of extrication.

The minister will recall the report of the select committee on highway safety tabled by my colleague the member for Yorkview (Mr. Young) in September, 1977. It called for a provincial crash rescue program. In December, 1977 the then Solicitor General (Mr. MacBeth) was apparently familiar with the problem since he had written a letter to the city clerk in Barrie admitting that the objectives of an extrication unit were commendable but suggesting his ministry was not prepared to place such an organization on any kind of legal basis.

It was not until April, 1978 that the present Minister of Transportation and Communications stated he was finally getting together with his colleagues, the Minister of Health (Mr. Timbrell) and the Solicitor General (Mr. McMurtry) on this matter. We are informed through various grapevines, that there is a report out on this matter, but the minister has not sent that report to the opposition critics in time for us to examine it and deal with it at these estimates. I checked with my office; we have not received it, nor have some of the people in the

extrication business or involved volunteers, with whom I have been in touch on the telephone earlier this morning.

Extrication is the job of removing a victim from an accident situation with maximum safety and speed. Accident victims are unnecessarily being turned into cripples, and millions of tax dollars are being wasted, while this government has meetings between the ministries to decide who has responsibility.

That is why I and the Liberal critic accompanied members of the Canadian Rescue Services group when they made their presentation before the interministerial task force on crash rescue on Friday, February 9, 1979. At my urging Mr. Humphries, the assistant deputy minister, agreed to ask the minister for funding for this organization so they could carry out training to those groups across the province that badly needed that kind of training. I am sorry to see this minister turned down that proposal, turned down the request I sent to him through his deputy minister, so that the Simcoe Rescue Squad, that could have been doing a great deal more training, has not been in the position of doing as much as was possible.

[10:15]

Gary Joice, who was associated with that group for a number of years, informed me this morning he had toured the province and found there are a lot of people with a lot of very dangerous equipment on which they are not properly trained. That training could have been accomplished on the assumption that the decision as to which ministry would be responsible to handle it could be made at a later date, surely what was important was that the people who do have equipment and who are using it out there learn how to use it properly.

You just cannot train people in the use of these heavy tools that are being bought by fire departments and by various other groups on a one-day familiarization program, which is all that is being provided by some of the companies that sell some of this equipment. I would hope the minister will inform us immediately what is in that interministerial task force report so that we can deal with it in these estimates.

I would hope, too, that the minister would say that a group such as the Simcoe Rescue Squad, who are pioneers in the field, would get some kind of funds from the government to increase the amount of training with whatever ministry is going to be responsible for it. I would hope the minister would give us some assurance that extrication and the development of extrication experts across the province would be a major priority of this government.

I would hope that the minister, out of some sense of respect and encouragement to the initiative of the Simcoe Rescue Squad, would say that his ministry will pay them for some of the materials and research they have developed over the years. At least if he was to purchase from them some of the manuals on research they have developed that particular body might not be in the precarious financial position it presently is and might not be threatened the way it is this very day.

I hope the minister can address himself to that, and also to the very serious problem that while this ministry and the Ministry of Health and the Ministry of the Solicitor General have frittered away their time in numerous meetings trying to decide who gets the responsibility for it, people have been turned into paraplegics and quadraplegics on the road. We're informed by the brother of the Solicitor General of this province that a quadraplegic costs the taxpayers of Ontario $1.7 million, yet this ministry and its allied ministries in this problem, the Ministry of Health and Ministry of the Solicitor General, can't see fit to give a few hundred thousand dollars to an organization that has clearly proved its competence and has clearly proved that it has saved lives.

I made one telephone call to Humber College, where they have been doing some training in extrication, and confirmed with Bill Magill, the co-ordinator of the ambulance and emergency program there, in a very objective way that the Simcoe Rescue Squad has definitely saved lives. We know that had this program been developed and expanded when the select committee first brought in its report lives would have been saved and tax dollars would have been saved.

I think the ministry has a lot to answer for by its delays on this program; not only this ministry but also the Ministry of Health and the Ministry of the Solicitor General. I hope this minister will address himself to that particular issue.

Thank you, Mr. Speaker, and it was a very good party last night.

Mr. Speaker: Does any other member wish to speak to this motion?

Mr. Renwick: Mr. Speaker, I'm sure the minister has probably divined the reason I'm participating in this concurrence motion. I think I have raised the consciousness of the minister, and indeed perhaps of my colleagues in the assembly, to the need and the province-wide concern, certainly the concern

of Metro, east Toronto and Riverdale, about the lack of a GO-Transit station at Queen Street East and de Grassi Street in Riverdale riding.

Now that the matter has been raised I would like to recall for the minister that one of his predecessors very kindly did a survey study of the area some years ago. The result was that on a cost-benefit analysis it was economically wise to have a station at that location. Unfortunately the decision was not implemented and that area of Toronto does not have a GO station.

The industrialized portion of the Riverdale riding lies astride the main Toronto-Montreal line, the GO train path. There is a significant interchange of population every day, from work place to home from home to work place, within the Riverdale district; people come from different parts of Metro to work in Riverdale during the day and significant numbers of people leave Riverdale to go to work elsewhere. In the vicinity of the industrial part of the Riverdale riding, astride that main line, is a significant residential population.

Because of that I ask the minister, because of the need for people to have the opportunity to substitute public transportation for private transportation, that the ministry would undertake again to resurvey the area and to develop a cost-benefit analysis about the advisability of establishing a station there.

There would be little, if any, capital cost involved in establishing a station because the old de Grassi Street station still stands. The area is ideal for the reactivation of that station. It will not cause any congestion in the area. It may require the provision by the Toronto Transit Commission or by the GO system of one or two feeder buses in order to transfer population from the industrial plants to the GO station, or to assist people leaving the area to get to the train.

But now that the matter has come to the attention of the minister I would specifically ask he take under serious consideration a reassessment of the cost-benefit of the establishment of a station. It would be a boon to the area, and apart from whatever partisan benefit may fall to the New Democratic Party from having instigated it it is essential that station be established to assist not only the riding of Riverdale but also that portion of the riding of St. David which lies east of the Don River valley. I hope the minister would take my request into consideration.

Mr. Warner: It is quite evident to each of us, following the federal budget, that the federal government has little, if any, interest in public transit, since it made no exception to the energy costs which must be absorbed by public transit systems throughout the country. I certainly await the response, a positive one, which I assume will be coming from the government, to the effect that they will attempt to alleviate the serious pressures placed on the transit systems in this province because of the federal action.

It is entirely mind-boggling how a government could say it is going to conserve energy by increasing prices and not alleviate the pressures for public transit systems. Surely the argument is that if we wish to conserve energy by trying to get people to leave their cars at home then we have to make sure public transit systems can operate as efficiently and cheaply as possible so people are encouraged to leave their cars at home and use the public transit system. That would seem to be pretty elementary logic, but I would never accuse the federal government of possessing elementary logic.

I hope this government will respond. I don't hold out any great hope because of its past track record, but I hope that it will move to protect the 57 public transit systems in this province in a way that would ensure those systems will continue to function well, people will be encouraged to leave their cars at home and use the public transit system so we not only save energy and save fuel but reduce pollution—and all the other arguments that go in favour of a good public transit system.

The minister is aware of the pitiful public transit system we are faced with in Scarborough, partly because of the policies of this government. Not entirely, I would admit that. The TTC has been most reticent to forge ahead and supply a complete public transit system in the borough, and the municipal politicians can be blamed for not being aggressive enough with the Toronto Transit Commission; but none the less the funding of mechanism provided by this province is inadequate, the minister knows that.

My good colleague from Riverdale speaks of a GO station in Riverdale. I can say we require more than a GO station, we require an adequate bus service. It's more than just the service itself, it is having bus shelters. It is mind-boggling how in 1979 we are capable of putting a man on the moon but we can't supply a bus shelter. It's incredible.

The minister has heard the story before, but the weather reminds me of what senior citizens who live in the Glamorgan area of my riding face on a day like this. Those seniors will valiantly attempt to cross Kennedy Road in the face of the onslaught of

trucks coming off Highway 401, buses coming south, buses going north, and transport trucks going north, in order to get to the other side of the four lanes of traffic to wait in the cold hoping a bus will come along, and on a day like today it will probably be the best part of half an hour, without a bus shelter.

Mr. Speaker: Will the honourable member tell me whether that's the responsibility of the Ministry of Transportation and Communications or the Toronto Transit Commission?

Mr. Warner: I certainly admit the MTC would like to shirk its responsibility and pass it off to the TTC. But if it had an interest in protecting those senior citizens in my riding, they would jolly well supply the bus shelters. But they won't do it. They shirk the responsibility by giving it to TTC that in turn says it's up to the local municipality that in turn says it's up to local manufacturers and businesses to supply bus shelters. The result of this shilly-shally is the seniors who live in my riding shiver in the cold for a bus that may never come. It comes directly back to this government.

In conclusion, I hope the government will make a very positive and dramatic statement regarding how it will move in to solve the serious problem created by the federal government the other night in that disastrous budget, where they have indicated how they are going to abandon any commitment to public transit in this country. Since the energy problem is going to pose a serious threat to public transit systems in this province, I want to know how this government is going to respond to that challenge.

[10:30]

Hon. Mr. Wells: Mr. Speaker, I wouldn't normally be taking part in this debate, but I want to support my colleague, the Minister of Transportation and Communications, and say a few words about what has just been said by my friend from Scarborough-Ellesmere.

I think he does a disservice to the council of the borough of Scarborough when he talks about the lack of bus shelters in Scarborough. I don't deny there may be one or two that are still needed in areas in his riding, but I want to say that the borough of Scarborough has provided sufficient shelters in the north part of Scarborough so that in some cases we have them on every four corners.

Mr. Warner: There are lots of them in Tory ridings; sure, I concede that.

Hon. Mr. Wells: As my friend knows, the mayor of Scarborough certainly doesn't belong to our party, in fact he's a card-carrying member of the member's party. He may not be a card-carrying member, but he has been an adherent, as they say in the United Church, of that party for a long time.

Certainly, when I look around Scarborough, I think they've done a fantastic job in supplying bus shelters and I would think given a little more time they will certainly realize the needs there and shelters will be on every corner in Scarborough; to suggest there is a shortage is completely wrong.

The main point I want to make on these estimates, lest the gloom that was presented by one of the members for Scarborough prevails, is that we are very happy, including the mayor of Scarborough, at the support this government is giving to the transit plans which Scarborough places as top priority.

I think it has to be put on the record that in these estimates, and in estimates of this ministry still to come, there is massive financial support; first for the extension of the Bloor-Danforth subway, which will go from Warden Avenue and St. Clair and is now being built up to Kennedy Road and Eglinton; and also, the support of 75 per cent of the capital costs of that extension which is going to be a very significant cost and is a very appreciated addition to that subway system.

I know my friends from the rest of Ontario will probably say we don't deserve that money here in Metro, but I want to tell them that the people—

Mr. Conway: I'm not that mean-spirited.

Hon. Mr. Wells: I hope not, because that is only the beginning.

The extension of the subway system is only the beginning of what is happening in Scarborough. The development of light rapid transit on controlled-access routes is, of course, the next expansion that will take place supported by the Ministry of Transportation and Communications, a program which incidentally, is of top priority to the mayor and the council of the borough of Scarborough. They were very gratified, in a meeting with the Premier (Mr. Davis) about a year ago, when the Premier gave his full support to the development of the light rapid transit line in Scarborough by the Toronto Transit Commission. I pay tribute to the TTC and Metropolitan Toronto council for their pushing of this project also.

So the light rapid transit system, part of it on the right of way of the Canadian National or Via Rail, whichever it's now known as in that area, will go from the station at the end of the Bloor-Danforth subway at Kennedy

and Eglinton, right up to Scarborough town centre, which in 15 or 20 years will probably become one of the major town centre shopping developments in southern Ontario, a heart to the whole borough of Scarborough, a development that will have within it facilities for commercial, recreational and hotel accommodation, as well as the headquarters for the government of the borough of Scarborough. From there light rapid transit will eventually spread out to the north, to the Malvern development, again one of the fine examples of planning this government has carried out. The Malvern housing development will be eventually supported by a light rapid transit system which I hope will eventually turn to the west and come back through the rest of Scarborough, thus providing one of the finest modern transit systems possible.

The point I want to make, Mr. Speaker, is that the Ministry of Transportation and Communications is supporting these major developments in Scarborough. They are much appreciated by the borough, the council, the members and the people of Scarborough.

Mr. Haggerty: I want to address myself to this morning's concurrence of supply for the Ministry of Transportation and Communications, and particularly to the question I raised with the minister on November 29 in relation to public transportation and the present federal policy in establishing guidelines where there is a possibility of fuel shortages and the matter I raised about extending the GO Transit system into other areas in the province outside the Metro core, say to Burlington, Oshawa and Hamilton. I thought perhaps there was a need to extend it to areas in the Niagara Peninsula, London, Owen Sound and other places in Ontario. The minister did mention at the time there was a possible consideration of electrification of the GO rail system. I suppose that relates to the question and some of the comments my colleague previously mentioned on the Urban Transportation Development Corporation light rail.

Is the minister aware of the present American policy that perhaps could pre-empt any further offshore sales of light rail transportation schemes that are developed in Canada? If he is not aware of it, I would tell him the American government says as long as that federal government is paying a proportion of the cost of developing light rail services in communities in the United States plant facilities have to be located in the United States. I am thinking particularly of a Quebec firm, which has a large contract to supply light rail transportation system equipment to the United States, which says it has to move all its technology to the US. The same thing could apply to UTDC if it is talking about doing business in the United States.

I would like to see the minister continue with additional studies in the area of GO Transit bus services to other communities. I know the minister said we could leave it to the private sector to do that, but I don't think that is good enough. If you look at the Niagara Peninsula particularly, Mr. Speaker, you find different bus companies have franchises which do not actually venture into giving urban services from one community to another. Some of these old franchises are sitting idle, or they can put one bus on just to say they do provide one service a day.

If one looks at the present federal budget as it relates to the cost of petroleum fuels, I think more people will be looking to conservation and efficiency in moving masses of people so this government is going to have to move towards the provision of urban transit facilities from one locality to another. We cannot allow these franchises to sit there idle, as we have in many cases.

I notice, too, that perhaps there isn't sufficient funding for purchases of buses for the GO-Transit system, because apparently they have been renting or making use of the buses from Gray Coach Lines Limited and eventually they have to go out and rent buses from some other private transportation company in the municipality. That indicates there may be some municipalities that have too much unused equipment around.

As long as the government is paying 50 per cent, I think that's the figure, on capital outlay for purchase of buses by municipalities, maybe it should be taking a close look at this to ensure that they are not purchasing—

Hon. Mr. Snow: What percentage?

Mr. Haggerty: I thought you spent 50 per cent to purchase a bus. Is it higher than that?

Hon. Mr. Snow: Seventy-five per cent.

Mr. Haggerty: I am glad to hear that. The minister may feel too much equipment has been purchased and there is idle equipment. This is indicated by the fact that the present shortages experienced by GO Transit can be met with sufficient buses from Gray Coach which in turn can make use of other buses from other transportation systems along the line. I suggest we have overspent in some areas and did not spend enough in others.

Hon. Mr. Snow: We don't subsidize Gray Coach's buses.

Mr. Haggerty: No, I am afraid the minister doesn't—

Mr. Kerrio: You don't have to. It is a money maker.

Mr. Haggerty: —but a day is going to come—

Mr. Kerrio: One of the few you have.

Mr. Haggerty: That's right, a day is going to come. If I can recall the special report on the Gray Coach's problems a couple of years ago that related to Greyhound and Gray Coach battles to get certain routes in Ontario, there were some good comments that suggested they should be expanding their services to other urban areas in Ontario. With this high cost of energy before us now, and more later on, it is going to cost more yet to get people moved in large numbers by buses or by light rail. There should be some direction from the ministry on special studies in this area.

One of the better ways to travel is by bus, but I am afraid in the Niagara Peninsula there isn't sufficient service now. Gray Coach, or some other bus company that has the franchise from one municipality to another, should be expanding that service in conjunction with GO Transit. Maybe you should even be looking to provide GO services directly to St. Catharines and Niagara Falls, perhaps by light rail, with major connections in Hamilton to continue on to Toronto and make connections there.

It is a broad area, and your ministry will have to be more involved in the mass movement of people, through either public transportation or in conjunction with the private sector. I bring that to the minister's attention. I can see he is going to have to move in this area; I hope he starts moving now.

Mr. Nixon: Just irresistible, isn't it?

Mr. McClellan: It really is. Once it turns into a roundelay like this it is almost impossible to stay out of it.

I will ask the minister if he will deal with an aspect of his government's discombobulated transportation policy as it affects Metropolitan Toronto, an aspect which has to do with all the unresolved bits and pieces of broken or unfulfilled promises that relate to the Spadina expressway extension on the one hand and the Spadina subway on the other.

We are beginning to see the private automobile zanies in the northernmost regions reviving their campaigns on behalf of the private automobile and for the extension of the expressway system south, to the detriment of the public transportation system and the Spadina subway in particular. The ministry, as usual, has retreated into its cocoon and is lying low.

If I could have even a modicum of the minister's attention, there are important issues in front of the government that have to do with park-and-ride facilities to enable the Spadina subway to become functional instead of a $200 million white elephant still unused during peak rush hour periods. Second is the matter of the widening of Bathurst Street which is currently before the cabinet, Mr. Speaker, which is why I raise it here.

[10:45]

The pro private automobile zanies in the northernmost regions are trying to extend the expressway system by degrees, as they have in the past. The latest ploy is to attempt to widen Bathurst Street to funnel the traffic from the Allen Expressway that much farther south. It would run in direct competition to the $200 million public subway that is basically parallel to this most undesirable expressway.

I would like to know two things. When does the minister intend to honour his promises and commitments and implement the park-and-ride facilities north of Eglinton; and when does he intend to deal with the question of the widening of Bathurst Street? I'm sure I can speak on behalf of the member for St. Andrew-St. Patrick in expressing the hope that the widening will be opposed so that we won't have one more encroachment of the expressway system at the expense of public transportation; and that we'll have, at long last, the honouring of a commitment made as far back as 1971. Otherwise, do we have to wait until the next election before the minister unveils the latest instalment of these seemingly perpetual promises in aid of the public transit system in Metropolitan Toronto? Why doesn't the minister tell us right now what it is he intends to do with respect to unfulfilled promises of aid for public transit?

Hon. Mr. Snow: Just find one.

Mr. McClellan: Perhaps the minister could answer more audibly when he gets to his feet.

I have one other question on behalf of the member for Etobicoke, who has already spoken. He asked me to ask the minister whether he will be present at the resources development committee meeting this evening at 7 p.m. for the discussion of the committee report on the inquiry into the Ontario Highway Transport Board? His presence would be received with open arms, I gather, on behalf of the committee.

Hon. Mr. Snow: I'd like to comment on some of the remarks that have been made by

the honourable members. It is interesting to see that the member for Wentworth North (Mr. Cunningham) is still showing a lack of confidence in one of the greatest transportation developments in the world today; that is the one being carried out by the Urban Transportation Development Corporation.

The member's lack of confidence in that development really surprises me. He certainly knows about and I'm sure he understands the system and the success of the research and development project that has been carried out. His leader keeps talking about research and development; certainly this has to be one of the most successful programs in many years.

Mr. Cunningham: And expensive.

Hon. Mr. Snow: Certainly it costs some money, we know that. When the member talks about the $50 million to $60 million that has been spent by UTDC on research and development in the last five years he should compare that to a couple of hundred million dollars perhaps that de Havilland Aircraft of Canada Limited is going to spend in the next two or three years to develop the Dash 8, or the $150 million they've spent in the last few years to develop the Dash 7. One doesn't develop—

Mr. Cunningham: And they're selling.

Hon. Mr. Snow: Just wait. One doesn't develop these things without spending money, one doesn't do it by rhetoric, sitting over there on the other side of the House complaining and talking doom and gloom.

Mr. Cunningham: What have you sold?

Hon. Mr. Snow: Just wait and see. Mr. Speaker, I think the Urban Transportation Development Corporation and this government are going ahead with research and development on electrically powered transit vehicles, both light rail vehicles and intermediate capacity transit systems. That type of research was started at the right time. We are many years ahead of the United States and other countries in this development. The people who are criticizing it will have to eat their words very soon.

Interjections.

Hon. Mr. Snow: The Miami bid hasn't been called yet. The member knows that, why does he ask stupid questions?

Mr. Cunningham: When are you going to sell it?

Hon. Mr. Snow: He just keeps asking stupid questions every day; just wait and see.

There has been no money squandered and wasted, as the honourable member says, by UTDC. He will find that every dollar spent on research and development is going to prove to have been very well spent.

At a time when there is an oil shortage, when we have an opportunity to move in with electrically powered transit, we have the technology now, at the right time to implement it where other jurisdictions and other countries do not.

Mr. Cunningham: Like the Swiss and the Germans. We are years behind of them.

Hon. Mr. Snow: The honourable member talked about Ancaster and Dundas. I don't know of any problem in Ancaster and Dundas. If there is a transit problem in Ancaster and Dundas, for God's sake tell me; I don't know, Ancaster and Dundas haven't told me they have a problem.

Mr. Nixon: Well he's their member; he is elected to speak for them.

Hon. Mr. Snow: He hasn't told me they have a problem.

Mr. Nixon: He did this morning.

Hon. Mr. Snow: No he didn't. He just complained about something with a vague reference to Ancaster and Dundas. I suppose he is going to send a copy of Hansard to the local paper.

There has been discussion by several members about the role of the Toronto Transit Commission and TTC fares. Recently I sent a letter to the mayor of every community that operates a transit system in the province advising them of our funding policy for 1980.

Mr. Kerrio: You should have been in charge of the Arrow. We would still be making it.

Hon. Mr. Snow: Yes, if I had been in charge of the Arrow it wouldn't have been scrapped, I will tell the honourable member that.

Mr. Kerrio: Tories are different in Ontario.

Hon. Mr. Snow: It wouldn't have been scrapped. We would have been building them now instead of looking around to buy something offshore. The Toronto Transit Commission has been mentioned by several members. There is no doubt about it, the TTC is one of the greatest transit authorities in the world. People come from all over the world to look at the TTC system. It is a credit to Metropolitan Toronto and it is a credit to this government, because that system wouldn't be what it is today if it weren't for the massive funding we put into the TTC system.

Certainly the fuel increases which are going to be brought about over the next few years are going to have an effect on the TTC.

I will tell you one thing, Mr. Speaker, the comments I have had from the chairman of Metro, from the chairman of the TTC and from the chief general manager of the TTC with regard to our revised funding formula for all transit authorities have been nothing but complementary. They have told me privately, unfortunately they don't seem to be saying it publicly but it is part of the business, that the new funding proposals we have put forward will mean there will certainly be no TTC fare increases in the coming year.

We heard doom and gloom from that side of the House last year about how the TTC was going down the drain, their ridership was going down. Maybe, Mr. Speaker, you saw in the paper the other day where they have—I don't know how many million more riders this year than they anticipated; and they have $6 million additional income they didn't anticipate.

Mr. McClellan: No thanks to you.

Hon. Mr. Snow: This is what we anticipated and it has worked out the way we thought it was going to work out. It is just ridiculous that some of the people in this chamber keep criticizing and preaching doom and gloom about the transit systems in this province. We, in Ontario certainly have, without a doubt, the most generous and well thought out transit policies with our municipalities of any jurisdiction in North America.

Ridership, as I said, is up on our transit systems. The member for Etobicoke mentioned transportation energy research. Certainly we are doing research. We have a very active program with the Ministry of Energy we have had going on for a number of years.

Mr. Philip: So active you won't even let me into a meeting you had with them.

Hon. Mr. Snow: Now, just a minute. The member said we wouldn't let him into a meeting. To my knowledge he never made a request to attend the meeting.

Mr. Philip: Certainly our research officers did, and you wouldn't let me in on the press—

Hon. Mr. Snow: The member for Etobicoke (Mr. Philip) got onto his extrication speech again. I know he wants to send out a press release that he has made this speech. He knows very well where the program stands now. He knows very well, I have told him, that my ministry, the Ministry of Health, the Ministry of the Solicitor General, have been working on an interministerial task force. The report is at the printers. The report I expect to have any day is outside of my hands, it's being prepared by the Solicitor General. I haven't seen it but the minute the report is ready it will be presented to the members.

Mr. Philip: You mean you don't know what's in it?

Hon. Mr. Snow: We have not been frittering away time on this program. It is a new program.

Mr. Philip: Tell that to some of the wheelchair victims.

Hon. Mr. Snow: The honourable member likes to elaborate, he likes to exaggerate. I can't answer those kinds of irresponsible comments. Irresponsible comments are all they are.

The member for Riverdale, of course, discussed our perennial project, the de Grassi Street GO station. We are obviously continually reviewing our GO Transit program and improving.

Mr. Philip: Are you going to send a Christmas card to the wheelchair victims?

Hon. Mr. Snow: Next year I will leave the honourable member off my list, that's for sure.

Mr. McClellan: Is that a promise? Why don't you leave me off your list, too?

Hon. Mr. Snow: Yes, and him too. In fact, I will leave all the socialists off, because really, God almighty, it's just a waste of hospitality. Not you, Mr. Speaker, because of course you are one of us.

Mr. Martel: I think you should refute that, Mr. Speaker.

Mr. Ziemba: Rise on a point of privilege.

Hon. Mr. Snow: I didn't necessarily mean by political stripe, but by philosophy and thought and deed, Mr. Speaker, that is what I was referring to.

The member for Scarborough-Ellesmere (Mr. Warner) again made a lot of irresponsible comments.

Mr. Renwick: Mr. Speaker, on a point of order.

Mr. Speaker: Yes, the member for Riverdale.

Mr. Renwick: In all of that interchange I missed what the minister said about the one important matter in this concurrence vote.

Hon. Mr. Snow: Mr. Speaker, I am sorry if I missed that. At the moment we again have no plans for the installation of a station at this time at de Grassi Street, but as I said we are continually reviewing GO Transit plans and that is part of our review.

Mr. Renwick: The minister won't mind if I raise it again from time to time.

Hon. Mr. Snow: No, I will be very disappointed if the member doesn't raise it

again when my estimates come back before the House, early after the new year I expect.

The member for Scarborough-Ellesmere criticized our transit policies. I think my colleague, the Minister of Intergovernmental Affairs, answered most of those criticisms, most of those inaccuracies, very well.

Bus shelters, that's another interesting point. Bus shelters are the responsibility of the Toronto Transit Commission. We subsidize—

Mr. Warner: Oh, here we go.

[11:00]

Hon. Mr. Snow: If the member thinks my ministry is going to go out building bus shelters on corners in Scarborough he has another think coming.

Mr. Warner: I don't expect you to do anything.

Hon. Mr. Snow: We subsidize Metropolitan Toronto for 75 per cent of its transit capital. If he has any complaints about where a bus shelter is located he had better see his friends at Metro.

Nothing but doom and gloom comes from that member. He likes to run our transit system into the ground, the best one in the world.

Mr. Warner: No. I asked you how you were going to respond to the federal government.

Hon. Mr. Snow: It was interesting. Yesterday I had a visit from the new commercial representative of the consulate of France. He has only been in this country a few months now representing France, and he said the greatest impression he had in coming to Toronto was our wonderful transit system.

He talked about the subway, the new streetcars, the GO system; he was very impressed with the transit system we have developed in this country.

The member for Erie (Mr. Haggerty) again mentioned the expansion of the GO system to the Niagara peninsula. As I mentioned, we are doing a review of our total GO Transit system legislation and policies. It's a little better than five years since the Toronto Area Transit Operating Authority was formed; I have asked my deputy minister and senior staff to work with the GO Transit board of directors to do a review of our operations after a very successful program over the past five years.

I don't want to lead the member for Erie to believe we're going to expand GO Transit to Owen Sound, London or Niagara Falls because that is not the role of GO Transit. GO Transit is a commuter system. He's talking about an intercity service, which is being very badly handled by the private sector.

GO Transit is now offering over 160 buses. That is a tremendous fleet of buses developed over the past eight or 10 years. We are taking delivery early in the new year of six new Orion buses from Ontario Bus Industries in Mississauga that has developed this new bus on which TATOA will be taking delivery very soon.

The member for Bellwoods' comments about the Spadina expressway and unfulfilled promises don't really deserve an answer, because he didn't really come up with one promise not fulfilled by this government.

Mr. McClellan: We can park in your letterbox, can we?

Hon. Mr. Snow: On the park-and-ride facility, there is correspondence on file. I can tell the member exactly what the situation is. We have offered the municipality of Metropolitan Toronto 75 per cent capital subsidy to build the park-and-ride facility.

We've done a study in co-operation with Metro and made recommendations where we think the park-and-ride facility should be built. Metro Toronto has not, to my knowledge, made one move to implement any plan for that facility or to take advantage of our offer of 75 per cent funding.

My ministry is not going to go in and build that parking facility at the subway, that is the role of Metro Toronto. When Metro decides to build it we are committed to supply the funding.

To my knowledge, there are no outstanding unfulfilled promises to Metro Toronto or to any other municipality in this province with regard to their transit systems.

Mr. Speaker: The resolution before the House is for concurrence of supply for the Ministry of Transportation and Communications.

Resolution concurred in.

MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

Mr. Nixon: I wanted to bring to the attention of Mr. Speaker and the minister my concern that the government policy dealing with beer and liquor advertising has not been fulfilled. The present minister is already shaking his head, but he knows very well that his predecessor made a commitment to this House that there would be substantial reductions, if not abolition, and control of the beer advertising that I believe is putting undue pressures on the youngest groups in

the community to expand the drinking of beer.

Mr. Speaker, you perhaps are in a position to know that I am not speaking from the position of a teetotaller, far from it, but I do believe that the pressure put on young people by the lifestyle advertising in support of beer in this country is unfair and that it is our responsibility, as members of the Legislature, to reduce it and, in my view, abolish it.

I have been impressed over the years with the advocacy advertising of some of the distilleries. Seagram's, coming from—we won't talk about their background particularly, but whatever it is, at least Seagram's in their advocacy advertising is preaching moderation.

Hon. Mr. Drea: All of them do.

Mr. Nixon: All I can do is report to you, Mr. Speaker, as a person who looks at the ads, glances at them, the impression that they make on me. Certainly in the December issues of most of the magazines the distilleries have the major part of the advertising and it doesn't look like advocacy, in-moderation advertising to me, with the twinkling Christmas trees and the roaring fires and the lovely ladies sipping away at the good stuff, with the gentlemen leering down their decolletage.

Mr. Ashe: What's that? Describe that.

Mr. Nixon: I don't know. It means if you drink enough you will get lucky.

So from the minister's interjection saying that all of the distilleries are practising advocacy advertising, I can only presume that the advocacy they are pushing is the advocacy of buying more of their product.

From my verv cursory observation of the distillers' ads, I say that Seagram's is by far the best, because it isn't just some kind of a bow to moderation. There is a strong impact, a very strong impact indeed, showing by way of specific examples what happens to people who have all of the very best opportunities, by education and everything else, but lose those opportunities through immoderate use of liquor.

I don't think there are many people in this House now who advocate—although there once was a day when it was advocated—that we abolish the use of liquor. Obviously, it is not possible and I don't think it would be a proper thing. I would resent it myself, and the people I speak for would resent it.

I also resent, however, the heavy, lifestyle advocacy of the use of beer by young people, the implication being that it makes them better sportsmen, better people, probably better lovers. The implication is there and I believe those ads are injurious to the community.

I would also say, just as an aside, that they are some of the cleverest and most attractive television ads that we look at; there is no doubt about that. The people are carefully selected to represent the very best of the athletic, good-looking young people who are living a lifestyle that all young people would like to emulate. The message is clearly there that in order to live that lifestyle you have to use the product that is being advertised.

I would also say that some of the brewers are committing a good deal of money to the support of sporting activities and so on. I don't have too much of an objection to that, particularly since they are restricted from supporting sporting activities involving people younger than about 18 or 19.

Hon. Mr. Drea: That's not true.

Mr. Nixon: It may not be true, but Labatt's, which was going to support a hockey dinner in my constituency to entertain visiting Norwegian hockey players, withdrew from it when they found the hockey players were going to be below drinking age. I thought that was a good thing.

Frankly, I do find it a bit offensive that the beer advertisers are so directly associated with hockey and football and all of the other games. The association between a very natural, competitive spirit, something that is probably stronger in Canada than in most other countries, the association between that and the support of the breweries I find somewhat offensive.

Mr. Speaker, I have not provided myself with the quotes of the previous Minister of Consumer and Commercial Relations (Mr. Grossman) who made a commitment publicly that this advertising was going to be controlled, but by that we understood reduced, and even eliminated. All we know is the pressure of these ads has increased. We are very concerned that the present minister is not following up enunciated government policy, and for one I am concerned and disappointed.

Hon. Mr. Drea: That is not true and you know it.

Mr. Nixon: Mr. Speaker, may I say in response to the interjections that I do not know it. I know what I see on the television. I know what the previous minister said in this House, and I do not feel that the present minister is fulfilling that commitment.

Hon. Mr. Drea: I take the gravest exception to that. You keep repeating it, and it is not true.

Mr. Nixon: Well that's fine, Mr. Speaker, but just as a point of order I would say to you, and to the minister through you, that we are in a debating parliament. I am putting forward my views and he will have every opportunity to put his forward. Why can't he wait until I have completed mine? Certainly we want to discuss this matter in a moderate way. Why can't the minister do that?

Hon. Mr. Drea: Then say it the way it is.

Mr. Nixon: The next thing he is going to do is offer to take me out behind the Legislature and black my eye. That is the way he usually tries to settle these arguments.

Mr. Deputy Speaker: Order.

Hon. Mr. Drea: Mr. Speaker, I want that remark withdrawn. I did no such thing.

Mr. Nixon: Does the minister mean to say he has never made such an offer before? Does he deny it?

Hon. Mr. Drea: To my knowledge, Mr. Speaker, I have never threatened the member for Brant-Oxford-Norfolk, and I want that remark withdrawn.

Mr. Nixon: I can certainly say that he never has, because he has more sense than to do that.

Hon. Mr. Drea: I want that remark withdrawn.

Mr. Deputy Speaker: Order. A point of privilege was brought to my attention. The member for Brant-Oxford-Norfolk did state, as I understand it, that the minister had made such a remark regarding another member.

Mr. Nixon: I said the next thing he will do.

Mr. Deputy Speaker: I wonder if the member for Brant-Oxford-Norfolk would like to reorganize those remarks and withdraw.

Mr. Nixon: Mr. Speaker, I would not like to, but on your instruction I do.

Mr. Hennessy: Mr. Speaker, can I have the option of promoting this bout? Mr. Hoy and I would like to promote it.

Mr. Deputy Speaker: Are there any further comments? The member for Etobicoke.

Mr. Philip: Thank you, Mr. Speaker, for giving me an opportunity to speak on the estimates of this ministry.

The first matter I would like to deal with is the Housing and Urban Development Association of Canada home warranty program. It seems to me we have proven over and over again that this program simply is not working. It is slow, it is a constant harassment to try and get any kind of action out of the program.

I have here just one folder on one case. This has been going on since June 1979. I have the greatest respect for Mr. Simpson, executive director of the business practices division. I know he has done his utmost to try and get action for me in this case. I don't think my comments in any way reflect on him or his ability, because he is certainly dedicated to trying to protect the consumer. But I ask the minister why it is that MPPs have to write letter after letter? Why is it that a talented public employee like Mr. Simpson has to involve himself in the serious but petty disputes between a bunch of my constituents and a developer, and still no action is taken to get remedy for the people on New Lovecourt, a rather inappropriate name, in Rexdale?

[11:15]

We are talking about people in 10 or 12 houses, people who have spent anywhere from $125,000 to $150,000. In many cases it involves two and three families trying to raise that money to put the down payment on a home. Many of them do not have English as their first language in terms of writing and speaking, yet they are still faced with the very problems that I brought to the minister's attention and to the HUDAC home warranty program's attention in June, 1979.

I and other MPPs have gone through this process over and over again. The only way we seem to get results out of this government in terms of protection for the new home buyer is to go to the press. In a similar incident in Rexdale I had to have pictures of myself and one of the home buyers on a mound of earth a year and a half after we first reported the initial difficulty to get any kind of action for the consumers.

Here we are with just one other case. Despite all the time I have spent, all of the meetings I have had with the owners, all of my phone calls and letters to Mr. Simpson and the various people at the HUDAC home warranty program, many of the complaints are still outstanding. I say to the minister when we have that kind of system, when we tie up elected representatives' time that much, when we tie up key civil servants, and public employees' time that much, the program simply isn't working.

I would also like to deal with the problem of Condominium Ontario. I read with interest a statement by Michael Armstrong, public relations director with Condominium Ontario. In the November 8 issue of the Etobicoke Gazette Mr. Armstrong said that he found my attack on Gordon Batchelor, president of Condominium Ontario, during the inquiry in

the justice committee, of which I am chairman, to be offensive. This attack was made during the inquiry of the justice committee into the operations of Condominium Ontario, an organization which has been imposed on condominium owners without their request and for which they are now going to be charged an extra levy.

I would like to tell the minister I find it offensive that it was necessary for me to interrogate Mr. Batchelor and the minister for two hours on the workings of this organization, which is initially funded by over half a million dollars of the taxpayers' money. I am sure the taxpayers will find it equally offensive that an organization which pays Mr. Armstrong's salary has admitted that staff people were hired without advertising positions, and that the president of Condominium Ontario interrogated board members to find out who had actually leaked the minutes of this publicly-financed body to the press.

I am sure that the taxpayers will find it offensive that the president of our own association, the Etobicoke Condominium Association, Mr. Terry Littlefield, was forced from the board of Condominium Ontario because he had the courage to voice the opinions of those people who had elected him as president of the Etobicoke Condominium Association, even though those opinions happened to disagree with the views of the minister and of the previous minister, and the views of Condominium Ontario.

They will find it offensive that Condominium Ontario actually took a vote by making every director sign his name on a ballot, and that this procedure was justified by the public relations office, Mr. Armstrong's office at Condominium Ontario, by claiming that it was covered under the Corporations Act. That matter was later exposed to be nonsense when the president of Condominium Ontario couldn't show me anything in the Corporations Act that in any way justified that kind of undemocratic and arbitrary action.

I'm sure the taxpayers will also find it offensive that Mr. Armstrong sends out, at taxpayers expense, propaganda directly on behalf of Condominium Ontario and indirectly on behalf of the Ontario government to condominium boards across the province. These lists to condominium corporations, prepared at taxpayers expense, are not available to people such as Terry Littlefield, president of the Etobicoke Condominium Association, and others in the condominium association, including myself, who may have views differing from Condominium Ontario and the government.

I regret Mr. Armstrong's salary is paid, at least initially, by the taxpayers and that he finds it offensive that I as an MPP continue to expose the secretive and manipulative way Condominium Ontario works on behalf of the government and not on behalf of condominium owners in this province.

On November 13 I wrote to the Minister of Consumer and Commercial Relations, thanking him for supplying me with some of the minutes of the meetings of the board of directors of Condominium Ontario to members of the justice committee.

Unfortunately however Mr. Armstrong, who sent the material, failed to include the minutes of the October meeting. No doubt this was an oversight, but we have yet to receive them. In my letter of November 13 to the minister I asked him if I would be receiving those. I also asked him to advise me of what position he was taking on future minutes of Condominium Ontario and whether they would be made public, both to the press such as the Condominium Newspaper, and to members of the Legislature and people like myself who are interested in these matters.

I haven't received a reply from the minister. I'd like to know his position on that. Since he is the one responsible for Condominium Ontario and initial financing of it he has a certain responsibility in terms of the secrecy or lack of it, or the openness with which this organization may operate.

Those are some of the issues I am concerned about. I'm also concerned about correspondence to the minister, and which I spoke to Mr. Kumer, about concerning the problem of Etobicoke residents and other residents in the city who are denied access to cable TV service by certain landlords.

This matter was brought to my attention by people living at 2548 Kipling Avenue in Rexdale. Upon investigation, however, I discovered other buildings in the borough of Etobicoke, not necessarily the riding of Etobicoke, are not receiving cable TV for similar reasons. These include 186 Stevenson Drive and several other buildings. Maclean-Hunter Cable TV Limited similarly reported they'd been refused by owners in the Lakeshore area access to certain buildings in the ridings of either York West or Humber, but none the less elsewhere in the borough of Etobicoke.

I believe the tenants have a right to information delivery through a cable in the same way they have a right to access to information delivered via the post office or

by parcel delivery service. To deny them this access is to deny them a basic right to information. In the case of 2548 Kipling Avenue, Rogers Cable demonstrated over 50 per cent of the tenants were interested in cable service, even though an aerial system was available to them free of charge. It was simply a matter that one of the owners, who is very proud of his building, and I must admit has been a reasonable landlord in other matters, for whatever sentimental reasons simply doesn't want a cable running through his building, even though it was demonstrated to this particular individual by taking him to other buildings that there would be no defacing of any significance and even though the company carries insurance up to $1 million to cover such circumstances.

I understand from Rogers that the situation in my riding is going to be fixed up. They now have another meeting with that landlord and they expect they will reach some kind of an agreement, hopefully this week. However, this doesn't remove the problem. The problem is that surely tenants should have a right to access to cable TV if they are able to negotiate privately with the local cable company to have that kind of service delivered to them.

I sent the minister a draft of an amendment to the Residential Tenancy Act which I propose. I recognize that it stands a much better chance of seeing the light of day if the minister introduces it and that is why I didn't introduce it directly in the House, although I will be happy to do so as a private member's bill if there is no action on the part of the government. I hope the minister will respond to some of the correspondence I have sent him on this particular issue because I know the various officers in his ministry are concerned and recognize that it is a problem.

Mr. Gaunt: I just want to raise briefly with the minister a matter that gives me some concern. I have a company in my constituency named Bainton Limited. They operate a wholesale and retail outlet for leather coats and jackets and leather goods of all types. They also have a tanning operation associated with that retail and wholesale business.

There arose a problem about two or three years ago when a chap came into town and set up a similar business and called himself The Tanner from Blyth. It was a style name, I gather. It was registered as such on February 15, 1978. The same gentleman has in total six different style names, all of which were registered at different times, such as Leather City and Suit Shop and that kind of thing.

What has happened is that Bainton Limited put this chap out of business in Blyth, where Bainton Limited is located. The other gentleman simply couldn't compete. He moved out of town and he moved to London, where he set up a similar business, and he is calling himself The Tanner from Blyth.

He apparently can't compete any better in London than he could in Blyth and he is going out of business. He is telling everyone within earshot that the Tanner from Blyth is going out of business and of course they are associating that with my constituent's company, Bainton Limited. The company is receiving telephone calls saying: "I hear you are going out of business. What's wrong? You have been in business for so many years."

This is a long-established company. I stand to be corrected on this, but I think it has been in business for well over 60 years in total and it has had a good reputation in the market. People from the United States come up and buy leather goods, coats, jackets, gloves, all sorts of leather goods, at this establishment and they have developed almost an international reputation which they now feel is being blighted by the operation of this other gentleman.

[11:30]

I have discussed this matter with the ministry officials at various times. I have made the point that the use of the style name The Tanner from Blyth is misleading, deceptive, and certainly as far as Bainton Limited is concerned very disruptive. I am told the other gentleman has not violated in any strict legal sense any of the provincial acts, either the Corporations Act or the Business Practices Act, and that the only possible action is for Bainton Limited to discuss this matter with their lawyer and perhaps go after the person whom they consider to be the offender under the common-law passing-off action.

Well, Bainton Limited isn't inclined to do that. They don't think they should have to go to that extent. I just quote a portion of the letter I received from the president of that firm under date of November 26, 1979. He says: "I feel that if our government will allow such shysters to infringe of any business, let alone and old-established one such as ours, it is time for us to discontinue our factory outlet here in Blyth."

He also indicated in the same letter that the federal, provincial, personal and corporation tax either paid or to be paid for the year 1979 will amount to $365,733. That doesn't include the payroll. In other words, it doesn't involve the people who are em-

ployed there and the income tax those people would pay.

I just indicate that to the minister to point out that this is a well-established business; it is a good business; it is a business that has been there for a long time, very reputable, with good people operating it. Here we have someone coming in, almost a fly-by-nighter, and disrupting a business of this nature to this extent.

I just thought I would raise it with the minister. Perhaps there isn't anything legally than can be done. The latest conversation I had with Mr. Simpson was that Mr. Bainton should come down when he is next in the city and Mr. Simpson, along with myself, could sit down and review this whole matter to see if anything could be done. As of the moment that hasn't been done. I hope it will be. I would like the minister's comments.

Mr. Renwick: Mr. Speaker, I just have two very brief matters I would like to raise with the minister. The first matter is I am not aware the ministry has put out any pamphlet in an explanatory sense about the computer pricing mechanism that is coming into force at the various chain stores—I think there is some shorthand phrase for the strips that appear on all of the products now and the method by which that pricing is going to take place.

It may be the ministry has put out to the public an explanatory memorandum or an explanatory brochure on a couple of sheets to tell us what it is all about. I don't understand it; I know very few people who do understand it. I would suggest to the minister it might be a very useful pamphlet to have available for people so that they could begin to understand what is taking place at the cash registers in the supermarkets under this new system of pricing—more by way of explanation than as an argumentative value judgement, simply so people will understand.

The second matter which is of continuing concern to me is the delay in the ministry's introduction of legislation dealing with the fundamental questions of consumer warranties. I do not understand why we have gone through so much in the fashions of consumerism in this province, yet we have continued delay in implementing all of the work which has been done leading up to a modernized revision of the consumer warranty legislation. I think it is an essential part of the basic protection of consumers in this province. I would hope the next session of the assembly would give us an opportunity to see that bill, to debate it, discuss it, hear what people have to say about it and have it enacted into law. I hope the minister would take those two matters under consideration and comment about them.

Mr. Haggerty: I want to address myself to the Minister of Consumer and Commercial Relations on his estimates as they relate to a particular tax base for the province and that is horse racing, which comes under the minister's jurisdiction.

I am concerned about the possibility that the Fort Erie racetrack may eventually close its doors. There is some indication by the president of the Ontario Jockey Club that consideration will be given to the possibilities of phasing out this racetrack. If it does occur, and I hope it doesn't, this means there will be two racetracks within the Niagara region that have been phased out through difficulties of operation.

There are some difficulties within the horse racing industry in the province, but if we look at the operations in the town of Fort Erie it is one of the best, and perhaps the best dressed, track in North America. It would be rather a regret in this particular community if the doors were to close.

Mr. Kerrio: It's not just the sport of kings.

Mr. Haggerty: No, it's not the sport of kings. This is one of the major tourist attractions, one might say, in Ontario, and a major industry to the town of Fort Erie. It generates some $300,000 a year in municipal taxes alone. It creates a number of jobs for about four to six months a year, and there is quite a spinoff to other service industries within the town, the hotels, motels and other areas of accommodation for persons employed at the track.

I was interested in reading the Harness Tracks of Ontario brief opposing offtrack betting. The area I want to discuss with the minister is his ministry's position regarding offtrack betting in Ontario.

In their brief to the members of Parliament, that's the federal government, and to the Legislative Assembly in Ontario, they say, "The pari mutuel dollars are already too heavily taxed to make the 'horse industry' able to afford the cost of a new partner, offtrack betting, in many minds." They do discuss some of the areas in harness tracks where they agree that the solution is not offtrack betting. Their solution is, "an immediate additional two per cent commission payable to track operators, plus a revision to the scale of commissions paid to the track operators, which in turn would be paid immediately to participating horsemen on track who produce the races, and in turn flows through the breeding industry which raises the horses, both thoroughbred and standard-

bred. The federal government is in a position to legislate this law immediately, with no risk to anyone, and the amount of money gained will far exceed any anticipated gains derived from offtrack betting."

I am sure the minister is aware of the offtrack betting in New York state, which hasn't been that great a success. It hasn't moved the bookies off the street, because the revenue is still generated in sports betting. That is the biggest area and why the bookies are still there. I suppose if we enter into offtrack betting in Ontario we will still have the bookies on the street wagering on sports. The minister shakes his head and says no. Then perhaps he is considering bringing in legislation that would include what—dog racing?

Hon. Mr. Drea: No, never.

Mr. Haggerty: Not dog racing; perhaps wagering in sports then? I don't know what he means if he says no. One minute he is for it and the next minute he is against it. I bring it to his attention because there is a problem here. I brought it to the attention of the Minister of Revenue (Mr. Maeck) in his estimates. I brought it to the attention of the Minister of Industry and Tourism (Mr. Grossman). It's time the cabinet took a second look in a new direction, because if we do go to offtrack betting it will eventually lead to all the races being run in the southern part of the United States.

The lobby and pressure that can be brought upon this government will lead that way. I don't think we can afford to have any more closing of racetracks in Ontario, in particular, in the Niagara Peninsula. With the additional revenue the minister has accumulated over the last two or three years, about $37 billion to almost $50 billion this year, maybe a little bit of that should be added to the purses at tracks which don't—

Hon. Mr. Drea: We do.

Mr. Haggerty: Yes, but not high enough. It has to be higher to encourage a stable industry in Ontario. The minister can see it coming, so I suggest an increase to offset some of the low purses at tracks that don't draw the crowd for wagering. This is one area in which he should consider upgrading it a little, giving a little bit more to encourage it.

With proper advertising by the industry and by the Ministry of Industry and Tourism, we can make Fort Erie a viable racing community and racetrack in Ontario, in fact in Canada. The minister has to take a second look to see we do not have any more closures. The industries depend so much on it, even the horse breeders and owners. It creates jobs from the spinoff.

It is something that should be looked at very closely. I've read suggestions that advertisers should be permitted to kick in funding for certain purses at the racetrack. They've tried it, but maybe a little more encouragement from other industries may assist in certain areas. It's an area the minister is going to have to take a close look at. I hope this ministry would give consideration to my comments as the representative of the mayor of Fort Erie.

Mr. Warner: There are a couple of matters I'd like to raise, Mr. Speaker.

One is regarding aluminium wiring. The ministry, in response to the report tabled by Dr. Tuzo Wilson had established—I can't remember the correct title for it, it was a hotline in a centre.

Hon. Mr. Drea: Aluminium wiring and resource centre.

Mr. Warner: Aluminium wiring and resource centre, thanks. That has been established and it has been in business for a little while now. I'm wondering if there has been a report from that centre as to their activities and what they have been able to discern while they've been in operation as to the extent of the problems and so on?

Second, has there been a decision about the repair where problems have been identified, where a consumer phones in and says, "Yes, I have a problem. Here's what it is." Has there been a decision on whether the government will pay for that repair?

I am still not very pleased with the government response over the aluminium wiring issue. From the outset it was quite evident there were problems. When you look at the Tuzo Wilson report very carefully it says yes, there are problems with aluminium wiring but not serious enough to ban it. There are problems, but Dr. Wilson plays them down a bit.

[11:45]

The evidence compiled in the United States says the problems are serious enough, that we should take direct action. Fortunately, at least one part of the government did take direct action. Ontario Housing Corporation refused to use aluminum wiring in any of its new projects. I will say that I appreciated the action by Ontario Housing in my own riding. When they discovered a problem with wiring in one of their apartment buildings they notified the tenants, they shut down the electrical system for X number of hours and they made the necessary repairs. They did not use aluminum wiring as a re-

placement, they used copper wiring which should have been used in the first place, obviously. They have taken a far more responsible approach to the problem than Ontario Hydro has and Ontario Hydro is probably the source of the problem, as opposed to the Ministry of Consumer and Commercial Relations. I know that the ministry has responsibility over it.

Hon. Mr. Drea: I missed some of that.

Mr. Warner: In my opinion, the problem rests more with Ontario Hydro than it does with the Ministry of Consumer and Commercial Relations. That ministry has the responsibility, but Ontario Hydro are the ones who have been fighting it. They are the ones with the lawyers and they are the ones who are able to exert pressure. I think they are the source of the problem, quite frankly. That is my view on it.

I want to ask something else. I am very puzzled about why there hasn't been a change in the pricing policy of the LCBO. If I understand the system properly, every time there is an increase by some source outside the direct control of the liquor board, that results in a magnified increase to the prices on the shelf to the consumer.

For example, in the latest federal budget the federal government increased the excise tax. I think the ratio is roughly that if they increase it by 11 cents then that will translate to about 25 cents on the shelf.

Hon. Mr. Drea: It depends on the product. There is a variety of markup.

Mr. Warner: Yes, there are a variety of things and there is a very useful description here: "The current pricing policy of the liquor control board is to adjust retail prices on an ongoing basis to reflect cost changes as they occur. This action becomes necessary as a direct result of the decline in the value of our Canadian dollar; the increased charges for ocean freight, bunker surcharges have increased twice this year as a result of the increased oil prices; and the ever-increasing worldwide demand for wines. Accordingly, the laid-down costs of each shipment are reviewed and adjusted four weeks after the product has been shipped to stores to avoid increasing prices on existing stock."

So that the product price is the supplier quotation, the conversion to Canadian dollars, the ocean freight insurance, the federal and excise duty, the federal sales tax—

Hon. Mr. Drea: You are only talking about wines. You didn't make that clear. If you want to make that clear it's fine. It depends upon the product.

Mr. Warner: Okay. Perhaps I have a misunderstanding about the differentiation between that and the spirits, but if I understand the system properly you take all those costs, add them up and then put the markup on top, which means that if any one of those components is increased there will automatically be a greater increase in the total price because the percentage applies to the whole thing.

Hon. Mr. Drea: Or decrease.

Mr. Warner: Or decrease, but from the federal budget we are talking about an increase that the consumers are going to see.

It seems to me that policy is wrong. Why should an increase in the federal tax translate into a greater increase on the shelf?

Hon. Mr. Drea: I don't want to preclude the member from speaking but what he is talking about is not within the scope of my ministry. It is the responsibility of the Treasurer (Mr. F. S. Miller). I am just an agent.

Mr. Warner: Okay. There has been some confusion over who sets pricing policy.

Hon. Mr. Drea: In this House, back in March or April, there was a very definitive statement made by both myself and the Treasurer that markups are the sole prerogative of the Treasurer.

The responsibility of the Liquor Control Board of Ontario, through me, is that the markup is properly calculated. All we do is the arithmetic. The markup is the sole prerogative of the Treasurer of Ontario.

Mr. Warner: All right. Then that suggests I have to direct my concerns to the Treasurer at the appropriate time, and I will do that. I am wondering if the minister has ever made a representation to the Treasurer on behalf of the consumer. I assume he takes on the responsibility of trying to protect consumers. I am wondering if he has ever made a presentation to the Treasurer, suggesting the present policy is not a good one and should be changed. My concern is that the consumers in this province are not being adequately protected over the cost of beer and wine and spirits.

Hon. Mr. Drea: Does the member want lower liquor prices?

Mr. Warner: I didn't say that.

Hon. Mr. Drea: What did he say then? I have just told him it is not my responsibility.

Mr. Warner: I do not like to see an automatic, magnified increase in the price of those products.

Hon. Mr. Drea: That's the Treasurer's responsibility.

Mr. Warner: The federal government decides to add a few cents to the excise tax. Fine. That ends up being translated into a very large increase to the consumer. The members of the House understand this; we are torn between the moneys raised by the sale of alcoholic beverages in the province, which is a substantial amount of money, and the serious problems of alcohol abuse. I don't believe for one moment that the answers to alcohol abuse are found automatically by raising prices to some astronomical level. I just don't believe that solves the problem. The argument I would use against that is to reflect back on the experience of prohibition.

Hon. Mr. Drea: The member is right. Nobody is arguing that now.

Mr. Warner: Good, okay.

Hon. Mr. Drea: I am glad to see an intelligent member of the House.

Mr. Warner: Thanks very much. It may be the only compliment I get this session. I am going to reflect in it for a while.

I just wonder if the minister has made a presentation to the Treasurer, suggesting that the pricing policy is not correct; every time there is an automatic increase in the federal tax we shouldn't suffer a magnified increase. That was my question.

Hon. Mr. Drea: Because of the ramifications internationally, particularly dealing with multi-trade negotiations under the General Agreement on Tariffs and Trade, as it is properly known, I will answer the member privately. But, Mr. Speaker, I am not going to be in a position in my windup to give any type of answer to that at all.

Mr. Warner: Fair enough. The real question needs to be addressed to the Treasurer. I understand that, and I will do that.

Finally, there is a comment I made several years ago; I make it each year and I will continue making it. I am not going to blame the minister individually. I think it is a very conscious policy decision of the government.

The ministry is one that is called, very deliberately, consumer relations. It is not consumer protection. I don't think anyone in the province should be deluded into thinking we have a ministry of consumer protection—we don't—and the most dramatic evidence of that is the whole question of food prices.

Time and time again, the question of the necessity of having a commission, board or agency which would review the price increases to determine whether they were justified, has been raised in this House. If increases are not justified, the government should have the power to roll back those unjustified increases. Obviously, if they are justified, the increases should go ahead. The government has resisted that every step of the way and, I assume, will continue to resist it.

One of the basic reasons for that is the flaw in the government's approach. What we have is a ministry of consumer relations, where it is nice to sit down and talk to people about things. We do not have a ministry of consumer protection, where the government would bring in legislation on behalf of consumers to protect consumers as they stand vulnerable to a lot of companies which tend to increase prices whenever they feel like it.

We went through some debate over metric conversion—there is a great opportunity for companies to take advantage of the public when they convert from the imperial system to the metric system. Of course, a smaller amount of product can be put into a container, the same price can be charged and the public may not be the wiser. The company, of course, makes a huge windfall profit.

Examples of that have been brought into this House. We've asked for legislation for protection. We're not likely to get it because again it's consumer relations. The minister will talk to the companies and to the consumers but won't do anything; that's unfortunate.

It's unfortunate, because I believe we have a minister who is capable of action and of doing a lot of excellent work on behalf of the people of this province. He demonstrated his good abilities in his previous portfolio. He was certainly aware of the good comments that came from various members of the House about how he carried out his responsibilities in that portfolio.

He's in a portfolio now where the government policy hamstrings whatever abilities and skills he has, because of this government's determined policy not to protect the consumers of Ontario but simply to sit down and talk to these companies and corporations which make their livelihood ripping off the public in the province. That's very sad. Mr. Speaker, a change in direction is needed, and the sooner the better.

Mr. G. E. Smith: Mr. Speaker, I have a comment I would like to address to the minister, and I assume the responsibility of the policy of operation of the Brewers' Retail stores in Ontario fall under his jurisdiction.

In my particular area, more so during the summer months, the local stores stock glasses and various items that relate to the drinking of beer or to the hospitality industry. It seems to me that we have small retail outlets

—some smaller and some larger—that sell this type of merchandise. It is my feeling that it is unfair competition for the brewers' outlets to branch out into other types of retail selling.

The grocery or convenience stores in my area and throughout the province aren't permitted to sell beer. It seems to me that the prime responsibility of the Brewers' Retail stores is the sale of beer and ale. I'm wondering if the minister is aware of this and if he could have some consultation with the operators of the Brewers' Warehousing Company Limited and review this policy.

Again, Mr. Speaker, I feel it's unfair competition, particularly in the tourist areas and in smaller communities, where the individual stores rely on the buying public to support their sometime marginal operations.

Mr. Kerrio: Mr. Speaker, my involvement in the concurrences is really a request to the minister to see what he can do in regard to what we in the Niagara Peninsula see as a very serious threat to the very worthwhile involvement of the ministry in the Fort Erie racetrack.

I don't want this to fall on deaf ears, because it's very important to the people in the peninsula and our little friend from Scarborough-Ellesmere has had his turn. He usually takes more than the allotted time.

I'm not being in any way critical of the minister's involvement in racing at Fort Erie, but rather I'm making a request to him to help the people in Fort Erie, in the peninsula to see what can be done about the retention of racing in Fort Erie. It's coming closer and closer to the time when this critical decision is going to be made.

[12:00]

If I might, I would make a few comments on a situation that seems extraordinarily unfair. In Ontario, we have in the Wintario lottery some futuristic-looking machinery to draw up some coloured balls and a few people involved in that gambling affair. On the other hand, we have quite an involvement in Fort Erie in terms of track, real estate, farmers producing feed, racing horses throughout the province—we can take that to great lengths if we want to pursue it. But it seems rather strange that in this gambling involvement, it seems to be going quite successfully on one hand with a very minimal investment, and on the other we can't do something with a tremendous investment that means a great deal to people even beyond the bounds of Fort Erie.

Maybe through this ministry, through the Ministry of Industry and Tourism or maybe even with the Minister of Culture and Recreation (Mr. Baetz), perhaps tying in something with what he does there, the Legislature can do whatever it can to help protect what appears to be a very worthwhile involvement there. I am asking for that kind of help.

The mayor of Fort Erie was here within the last couple of days speaking with some of the ministers to see what could be done. It is one of those things where there is a concurrence among everyone in the area that it is a good thing for the area. I don't think there are any objectors.

I won't get into too many details of what might be done to help the situation, but maybe one point is worth making. Offtrack betting has been legitimized in New York State. It doesn't appear to be functioning all that well there.

Hon. Mr. Drea: Oh yes, it is.

Mr. Kerrio: I am happy in one way to hear that, but my concern is that it had a tremendous impact on Fort Erie and people in that immediate area; New York has taken from the people of Fort Erie. It is one of the big things that has happened. I am not sure that legislating offtrack betting is the answer. I really don't have that much feel for it. All I know is I have been there during the last two or three summers to see the operation, I am impressed with the facility and I hope the minister will do anything he can to keep it functioning.

I have a couple of other matters I would like to talk about in passing. I have a gentleman who has had so many frustrating experiences with the Housing and Urban Development Association of Canada that I don't know what to say to help him in his dilemma. Over the past three or four years, he has been very unhappy about a new home he had built by one of the people covered by HUDAC.

He took me to the home, finally. We have exchanged correspondence on it, too. I know the minister has done all within his power. I am suggesting there is a fine line here and, coming from the business world and understanding a little bit about guarantees and warranties, I hope HUDAC isn't going to pursue a warranty where it simply patches things until the time expires. It appears that is what has happened to this gentleman, Mr. Cox from Niagara Falls. They have fixed the pargeting so many times on his brand-new home, they just go through the motions. When steel forms are used on a concrete basement, the finish is so smooth it's nearly impossible to get anything to stick to the

surface. That has been known to the industry for years and it doesn't take much explaining for everyone to understand that kind of problem is not taken care of by going back with a trowel and a bit of mortar and putting it back on until the time expires.

The workmanship on the home in other instances I don't think was up to par, and this gentleman simply has not had the kind of satisfaction a good small company would give without having a warranty. Tradespeople in the past, who had some kind of feeling about their reputation, would go back and do something about it. It seems, when you force people, they are going to do the very minimum, and I wonder if that is good enough.

On that topic, another area that bears looking into is the tremendous amount of import gadgetry that never sees any kind of test. You see them in all the small corner stores, you see them everywhere: all the little tools to use in the home—the can openers, the bottle openers, the corkscrews—and much of it is junk. I shouldn't mention the names of places it comes from, I suppose, since that is not acceptable any more, but it comes in in great volumes.

I have raised the question before. In fact, I went on a little trip up north, and I asked my wife to pick up a can opener. I was going to say a corkscrew, but we know you shouldn't go up north just to drink. In any event, not knowing she had got one, by coincidence, I picked one up at the grocery store on the way to Temagami. On my very first attempt to open a can with the can opener she bought, the thing fell apart in my hand. It was made in Taiwan.

As luck would have it, I had one of the same make, coincidentally, and the same thing happened at the first use.

In talking to many of my neighbours and friends, I have found that is the usual case rather than the exception. There is a tremendous amount of this kind of material and equipment on the market. I am not suggesting any answers. I am just suggesting that is a problem, and I don't know what the answer might be.

On those three matters—my concern regarding the operation at Fort Erie, with many jobs and involvement at stake, and the other matters as they relate to my concerns on the Housing and Urban Development Association of Canada and much of this other material coming into the country at a time when we might very well be advised to try to get small manufacturers to make those things right here in this country—I would like to hear from the minister what he thinks might be the answers to some of these problems.

Mr. Speaker: Does any other member wish to speak to this concurrence motion?

Mr. Gaunt: I think my colleague from Ottawa East intended to make some remarks before the minister responded.

Mr. Roy: Thank you, Mr. Speaker. I was just outside here, waiting to get on, and I would like to thank my colleague for keeping this debate going. I will not keep it going for any length of time, but I do want to make certain comments to the minister pertaining to the concurrence of supply for his ministry.

First of all, I want to convey to the minister—I don't think I have done it before, and I have no qualms about saying it—that I think his ministry, through the Liquor Control Board of Ontario and the Liquor Licence Board of Ontario, is ripping off the public of the province as far as the liquor prices are concerned and certainly as far as imported wine prices are concerned. I have no qualms at all about saying that. Anyone who wants evidence of this only has to look at the Globe and Mail of this morning to see the markup, over and above which this government puts on a provincial sales tax.

In the process of obtaining funds in an area which is quite legitimate—I don't have any brief for the liquor or tobacco industries, and I think the minister knows that—it reaches a point where, because of the amount of money that is taken by the province, it reminds me a bit of the shark type of attitude or ripoff that the oil companies are sometimes involved in when they take advantage of increases, shortages and that sort of thing.

I want to place that squarely on the record. There are times when it is a clear ripoff. It is so fraught with contradictions. That is what bothers me: Here he is, dragging in all this money on the one hand, while on the other hand the minister is saying, "Be your own liquor control board." We have these ads saying, "Be your own liquor control board." He allows the advertising which my friend from Brant-Oxford-Norfolk (Mr. Nixon) talked about this morning. When I look at all these millions of dollars he is taking from liquor, and I see the percentages being spent for rehabilitation of people who have problems and that sort of thing, I feel all of this is disproportionate.

The overall policy is contradictory and full of what I consider to be illogical approaches going in one direction and then in another direction. It is what I consider to be an abuse, a ripoff on the part of the government, and

I have no qualms at all about putting that on the record.

The other thing I want to say is that on behalf of some of my constituents I am somewhat disappointed by the approach taken by the minister. I have to get back to the minister, because he is like Harry Truman: the buck stops with him. He is the only person I can get to across the aisle. If I had some of those liquor inspectors around who come down to Ottawa, and if I had some of the intermediate people they deal with on a day-to-day basis in front of me, I would love to tell them that. I quite understand that the minister doesn't know everything that is going on.

I have raised this with the minister in question period and I have raised it with him personally. I have raised it in correspondence with the minister. Again, the problem is that a number of liquor inspectors in the Ottawa area were charged, under the Criminal Code, with accepting benefits or whatever. The minister appoints four liquor inspectors in the Ottawa area.

Subsequent to the charging of these people, new people came down to enforce the laws in the Ottawa area. The difficulty caused by that was that what had been acceptable yesterday in terms of standards for service clubs, clubs involved in sports and others, was no longer acceptable as far as enforcement was concerned.

I will give one example, the Rideau Lawn and Tennis Club, which is probably the oldest tennis club in Ottawa and which has always fostered junior tennis; in fact, some of the top players from Canada have consistently come out of that club because they had a tremendous junior program. It is a nonprofit club. Frankly, it is the only club in Ottawa the general public can afford. It has the cheapest rate and is open to everybody. An inspector walked in and said, "If you are going to start serving liquor around here, you have to consider the juniors." Well, of course, there are juniors around tennis clubs. The first thing you know, there is an aura painted around the club. They start putting up barricades around the bar, and start putting up walls over here and saying they had better not open any longer on Sundays. The club people start saying, "What the heck is going on?" Obviously, around a club that has been in existence for the better part of the century, you are going to have juniors.

Hon. Mr. Drea: Wasn't that fixed up a year ago?

Mr. Roy: No, it is still not fixed up. The result is that, first of all, they have to shut down the bar for a while until something happens. I don't know what it is. I try to follow those liquor laws and find some logic in them, and I have great difficulty. They shut down the bar for a while. Finally the bar reopens. But, although they have been open on Sundays for a number of years, now they can't open on Sundays any more because, apparently, of juniors around there. They also have to build a wall some place else.

[12:15]

I just give that as one example. That's the Rideau Lawn and Tennis Club.

The Royal Canadian Legion, the Knights of Columbus and other people for years have had a number of activities including bingos, bean suppers and things of this nature. Inspectors walk in and say, "You can't open your bingo to the public; it's got to be for members." They say: "We've been doing this and it has been acceptable for all these years. The bingos are used to raise money to support minor league hockey and to support the boys' and girls' clubs in Ottawa." They have a variety of things going on.

The inspectors then say, "No. Sorry, the liquor laws of Ontario do not permit you people to operate your bingos in that fashion." Then the inspectors go down to see the Knights of Columbus. They held bean suppers which were a tremendous success; thousands used to attend these things. They raised a lot of revenue for a variety of community activities. Again the inspectors say: "No. It is limited now. If you want to sell tickets, they have to be sold only to members or something."

A new standard has been imposed. Overnight, what was acceptable yesterday is no longer acceptable today.

I was told as recently as a couple of weeks ago—I brought this to the minister's attention—that the Eastview Legion in my riding has had to discontinue its bingo. They don't have their bingo any longer. What does that mean? It means thousands of dollars that they no longer have to assist community activities. They are no longer involved in a whole variety of activities that they were supporting: minor league hockey, transportation of people who are disabled and so on. It is the same for the Knights of Columbus, because of the new attitude of liquor inspectors, apparently, towards their bean suppers. So they no longer have funding for a whole host of what I consider to be very worthwhile community activities.

We traditionally talk in this province about getting people involved in the community, and say we shouldn't always rely on gov-

ernment. I see these boys in Ottawa in their latest budget saying, "Don't rely on government; let people do things."

These service clubs were doing things. They were not relying on government; they were not always relying on Wintario. There was a lot of initiative involved in these various communities, and the whole community benefited; now they no longer have it. Why? Because liquor inspectors are coming down riding shotgun, shooting from the hip and saying, "The law is the law and that's it, boys; we're sorry for the consequences."

That's what bothers me about the liquor laws in this province. They allow people to use that sort of discretion, which I consider to be not in the best interests of the community at large. I appreciate that the minister came down hard, a tough guy, as I recall the first day he was sworn in in this ministry, about the topless waitresses and that sort of thing. I remember that. The reputation was established: "The buck stops here, and a new attitude is going to prevail."

I have to tell the minister that he has failed. There is evidence that he is not working out that well, because his boys along the way, up the chain of command, are still acting the same way. I don't know if he is sending orders down, but the messages are not working out. Somewhere along the way the communication is not being made. Maybe the minister should strap on the guns and start working his way down the line and see what the hell is happening along the chain of command.

I am telling the minister, if I suspected there were illegal activities going on, that these service clubs somehow were flagrantly breaching the law in the process of raising money or something along that line, I could understand it. But that overnight, just because some liquor inspectors had been charged, which is no fault of the service clubs—in fact, none of the service clubs apparently were ever involved with these inspectors; private operators were apparently the ones giving out the goodies—

Hon. Mr. Drea: The trial is today, I believe.

Mr. Roy: The trial is today? Okay, it is not before a jury anyway. We will stay away from that aspect. But the service clubs certainly are not involved.

I am saying to the minister he had better start looking down and say, "What is happening here?" because I don't think that—

Mr. Speaker: The member is becoming repetitive.

Mr. Roy: Is he?

Mr. Speaker: Yes.

Mr. Roy: I am trying to emphasize the point, because the first couple of times I don't seem to have got it across to the minister.

I do not want to become repetitive. I accept the admonition of the Speaker. But I hope that the minister's performance is not only form but there is going to be some substance to it. I am having to ask myself a few questions now, and I hope that will not continue; I am interested in what the minister does, and I am interested in whether his career is a success. Yes, I am. But it is going to be a success if there are some meaningful changes not only in form, but also in substance.

Let the minister keep that in mind and maybe get his boys to check to see what is happening out there, and let's get these service clubs involved in community organizations again.

Hon. Mr. Drea: Rather than going through the comments member by member, perhaps where there was a duplication by members of particular subjects I might address the subjects for the sake of continuity.

First of all, there were a number of concerns on various aspects of the liquor responsibility. I want to be brief and blunt and candid with the member for Ottawa East (Mr. Roy). I was unhappy a year ago. Perhaps it was in June; in any event, it seems I remember it was just before the closing of one of the sessions, when the question of the Rideau tennis club's difficulties were brought to me. It was my understanding that those difficulties had been straightened out.

I recall saying to the member at that time I was unhappy about the indigenous realities of eastern Ontario, which I thought covered the subject. I will tell you, Mr. Speaker, on the basis of what the honourable member has brought forward today I am damned mad.

I also must advise the member that I am in receipt of some concerns by Detective Lamoureaux of the Vanier force.

Mr. Roy: Yes. He gets excited for nothing.

Hon. Mr. Drea: He is bringing forward pretty basically the proposition that has been brought forward by the member, where he is talking about inconsistent administration of the regulations.

I want to tell the member for Ottawa East, and realizing the lateness of the season, that very early in January I am going to go to Vanier. I want to discuss the matters that

are of concern, because they are in this same general area, with the Vanier city police force. I intend to sit down and discuss the matters with the member. I would like to have as many service clubs as possible. We could do it in the evening when they are available. I will bring senior people from the special occasion permit and licensing branches of the board.

I was unhappy some months ago. Now I am just damned mad. It is the only place in the province where there appears to be this inconsistency. What has been brought to my attention is that, in the light of the charges laid, the inspectors who were brought in from other areas to do temporary duty were concerned that unless they took the utmost stringency in reading the act they, too, might be charged. That's nonsense. I just don't accept that at all.

The one area where there appears to be problems is with the fair and impartial administration of the Liquor Licence Act as it pertains to service clubs, community organizations and other endeavours, because it appears to be only in the environs of Ottawa. The member is absolutely correct. None of the Criminal Code charges, in the remotest way, involved this type of operation. I will be in touch with the member. There's going to be a crackdown in Vanier. If it is necessary to have firings, there will be firings. Period.

Mr. Roy: Invite me to the meeting. I will talk to them.

Hon. Mr. Drea: I expect the member to be there. I'll set that up. If there needs to be firings or disciplinary hearings because people will not accept instructions, then so be it.

In terms of the prices of alcohol, as I drew to the attention of the member for Scarborough-Ellesmere (Mr. Warner), the markup and the pricing are not the responsibility of this ministry. They are the sole prerogative of the Treasurer. Ours is merely an arithmetic role. As I pointed out, I am not in a position to reply to those rates and so forth. The Liquor Control Board of Ontario is merely an agent of the Treasurer. We must accept the instructions in the budget. The LCBO and myself as the minister responsible would be in utter contempt of the legislative process. When the Treasurer lays down the markups, or the tax in the budget, we're as bound to obey that as a retailer is to collect the appropriate amount of sales tax. We do not set the policy in that regard.

There was some concern expressed about the retail selling of products other than alcohol in Brewers' Retail establishments. I will take that up with the LCBO and with the Brewers' Warehousing Company Limited. There are not the restrictions on Brewers' Warehousing selling other than beer or ale as there is in the Liquor Control Board of Ontario operation, because they are a free-enterprise operation. They are not the government. They are a co-operative owned by the brewers themselves. I will take that up through the LCBO and direct their attention to the concerns about the unfair competition with small business, particularly in the tourist industry.

I want to draw one thing to the attention of this House, because it is always brought forward: "You will do this year $412 million in alcohol profit. Last year you did $360 million or so. There's alcohol abuse out there. The health programs aren't being funded," et cetera.

Let me put on the record that three per cent of provincial revenues come from profits of the LCBO. Twenty-seven per cent of the provincial budget is in the health field. I am not going to suggest that we have the alcohol prevention or alcohol reclamation programs that are beginning to turn the tide in the field. I'm not suggesting that at all.

[12:30]

What I am suggesting is it is a rather false argument to suggest that funds be earmarked specifically out of the LCBO or out of the profits. Indeed, cash is not the prime necessity in some alcoholism treatment programs; it is necessary, but it's not the prime ingredient. Program development would be far more efficient if it were directed by the health field rather than to the LCBO. Twenty-seven per cent of the provincial budget deals with health problems whereas, as I say, only three per cent of revenues are from the LCBO.

There have been some concerns about the slowness of and difficulties with the Housing and Urban Development Association of Canada. I'm going to say very bluntly to the member for Etobicoke (Mr. Philip), that matter will be settled to my satisfaction in 30 days from today.

I wish someone would convey to the member for Niagara Falls (Mr. Kerrio) that I don't know terribly much about that particular case, but I say to him that last year a similar type of thing was brought forward by the member for Bellwoods (Mr. McClellan). I will use my good offices and we will resolve that situation before we have another set of estimates. I don't know how we will do it or in what manner, but it will be rectified and remedied.

I want to come to a number of concerns, particularly those in the Niagara Peninsula concerning horseracing and the whole area of social gambling. I have said in the Niagara Peninsula that I was not appointed the minister of the ministry responsible for horseracing and parimutuel betting in this province to preside over the closing of any racetracks. It is my considered mandate that I am to preside over the opening of racetracks.

There is no question that certain economic developments have affected the viability of the Fort Erie racetrack, not the least of which is the purse-sharing agreement, where there is building a considerable thrust by horsemen —that is, the people who own them—that their interests would be better served by having thoroughbred racing confined to Woodbine and Greenwood. This is the same thrust, albeit by the harness horsemen, that resulted in the closing and mothballing of the Garden City Raceway for harness horses.

I am determined to keep Fort Erie open, but we have to—

Mr. T. P. Reid: How about offtrack betting? That'll help them all.

Hon. Mr. Drea: I'm coming to that. The member may play a role in it.

We have to look at the realities of the situation. The realities of the situation are that when I want to do anything about the horseracing industry, be it a situation like the plant at Fort Erie which I regard as the most integral part of tourism promotion in that particular area of the peninsula, every time I come to the question about purses, every time I come to concerns about the more than 30,000 to 40,000 people in the industry and their economic viability, I am hamstrung by the inability of whoever operates in Ottawa as the Minister of Agriculture to make a decision about offtrack betting.

If they would come forward and say, "No, there will be no offtrack betting," then there are remedies that I have to look at. It may not be possible for me to deliver them, but at least I can look at the remedies. If they would say, "Yes, there is going to be offtrack betting," then the remedy that could be applied if they hadn't said that would no longer be a remedy. You have to look at things.

A year ago in January I made a speech to the National Association of Racetracks, in which I brought up this very question. There are all kinds of concerns in the racing industry but there is the inability of any provincial racing commission to deal with them, because we don't know what is around the corner.

The real villain in this piece is the federal Department of Agriculture, which wants to expand its empire. It is totally defiant of the overall government of Canada policy. I am talking about the policy enunciated since May 22, which is that where there is a duplication between federal and provincial services in a province, and the province has the resources to end that duplication, then the federal government disengages.

The federal Department of Agriculture has stonewalled and sandbagged a decision on offtrack betting. This thing about the Minister of Agriculture going to consult with me, that's nonsense. He's going to write me a letter. He can phone me any time of the week. We have two throne speeches on the subject, we have a number of other things, but the Department of Agriculture wants to run offtrack betting.

Any extension of the federal Department of Agriculture in the racing industry of this province is intolerable. We want them to disengage. The difficulty is, and I say this to the House, it must be terribly frustrating to the members as legislators when they are looking for a decision, just a decision, yes or no. But I suggest to the members that at least this time the full empirical role of the Department of Agriculture has come out. The Department of Agriculture says, "It does not matter too much about the length of the consultation process because we know what kind of machine should be bought." Out, out of this province. This Legislature will make up its mind about offtrack betting, who is going to run it and so on, but we have to have a decision.

I say to the members, and particularly those from the peninsula, where there is an economic difficulty, it is extremely difficult to try to have a remedy program when you don't know what is around the corner. If there is no offtrack betting, there are a number of things that have to be addressed.

Mr. T. P. Reid: I thought we were going to have a decision from the federal minister.

Hon. Mr. Drea: The decision of the federal minister was that, on the advice of the Department of Agriculture, he was going to consult again. I have made myself clear about what I think about the announcements of a week or so ago.

The Attorneys General of this country have gone on record and they have said regarding enabling legislation, "Let the provinces decide if they want it or if they don't want it," et cetera. That obviously doesn't cut weight with the Department of Agriculture. All I say to the Department of Agriculture is, "Don't play games with me, be-

cause any extension of what you are doing is intolerable; so get out."

I give an example: Last night, according to the rules of the Ontario Racing Commission, there should not have been a triactor in the 10th race at Greenwood, because eight horses couldn't be in it. That's a very definite rule by the racing commission. There were only seven horses. The Department of Agriculture said that since some money had been taken into the pool, they couldn't cancel the triactor. Greenwood Raceway had the prospect last night of either violating the federal code or the provincial code.

That's what I am talking about in terms of duplication et cetera.

Mr. T. P. Reid: What about the fact that the province takes $115 million out of the thoroughbreds when the horses are only running for $14 million?

Hon. Mr. Drea: In effect, they would not be running for $14 million were it not for the fact that one per cent of the $230 million wagered on thoroughbred racing goes back to a self-help program and three out of every four of those dollars go to the overnight purses.

Mr. T. P. Reid: That's right. But the government is making more of a profit from the horses than the horse people.

Hon. Mr. Drea: We are making more of a profit out of harness racing, which is very successful. I do not think the take-out, quite frankly, is the panacea for the industry. What I am saying to the members is that there is no panacea. The difficulty is, until they get off their tails in Ottawa and stop fooling around and stop passing it on, there cannot be an intelligent long-range solution. Everybody in the industry will tell you that. If Ottawa will make a decision today, I will make it this afternoon. Then it is up to this Legislature either to agree or to disagree, but not to hang around and do this in perpetuity because somebody in the Department of Agriculture feels they will lose their control over racing. They should not have any control any way. They can have a co-ordinating role, and obviously that is necessary, but that is all. Out! We will pay them a licence fee, but out.

Mr. Roy: The minister should not have any problems doing that. Joe Clark does it all the time.

Hon. Mr. Drea: I am not winning very much but I hope, when the racing writers discover my comments today, that I may win a little. In any event, the member did ask me for a commitment regarding Fort Erie. Yes, I give it to him. I give it to the member, I give it to the community and I give it to the track. I have been very concerned for more than a year about the future operations of Fort Erie. The member is quite correct; it is the handsomest race course in all of North America. There is no question about that at all. Also, as I say, I regard it as one of the keystones in the tourist promotion industry of the Niagara Frontier.

On the question of offtrack betting, the western district of New York State—which is Buffalo and Niagara Falls—is considered their weak link. Their gross is $103 million, and they are always betting out of town. So there is a market in that area and, through the things we can do, particularly in the future for Fort Erie.

I want to come to the question of what is being done about lifestyle advertising. I find the remarks about lifestyle advertising of beer by the member for Brant-Oxford-Norfolk (Mr. Nixon) to be obsolete. Two or three weeks ago I was at the annual meeting of the successor to Toc Alpha; I think it is Alcohol and Drug Concerns or the successor to the temperance federation. In any event, I spoke at their annual meeting and I told them what we were doing about lifestyle advertising. They were quite supportive. They thought we had begun to crack and to turn back in that particular area.

Mr. G. I. Miller: I haven't noticed it in Norfolk.

Hon. Mr. Drea: This is constantly the thing but, if one keeps watching, one will notice. It is gaining momentum. Bear in mind the most fundamental point. They do not produce a commercial for X tens of thousands of dollars and then throw it away. They had a story board, almost like a comic strip, where they outlined what the commercial was going to be; that received approval. Then they would come back with their commercial, which bore very little resemblance to that, on the grounds that the director, the producer or whoever in California would not go along with the story board—you know, the old one about artistic freedom et cetera.

I put in a new rule. I said: "It is your final commercial that counts. I won't mind if your final commercial is thrown out; so it had better adhere to the story board."

We are seeing less and less of the lifestyle, bearing in mind that some of those tapes are grandfathered. It is a difficult area to proceed in, because of the difficulty with defining lifestyle and all the subtle nuances. We are seeing now more and more commercials involving only bottles or labels. There is no lifestyle in a bottle or a label. In other

words, the happy warriors, or what have you, have disappeared.

[12:45]

The whole of the advertising for the first time is being governed by a policy; not by directives or anything like that. With directives and so forth, there's always the thrust to penetrate them or to say, "Let's see how far we can go." There is now a policy, and that policy is the one the cabinet adopted last spring concerning the breweries and minor sports; that is, everything they do must be measured by a spirit of restraint. It's "Pull back," not, "Up to the line and let's see how we can go through."

I am prepared to say that a year from now that even the member for Brant-Oxford-Norfolk is going to admit that the original thrust of my predecessor, which I inherited and which I support—and I get truly angry when I'm told that I don't support it—is much more apparent. I do support it and I pushed it farther. I've had to deal with the practical applications of it, which in some cases have been difficult. I will say a year from now, or perhaps when my estimates are on in the spring, there will be such an apparent roll-back in terms of lifestyle advertising that even the member for Brant-Oxford-Norfolk, who is profoundly concerned about this matter, will agree that things are being done in accordance with this matter.

In terms of the remarks that were made about Condominium Ontario, I want to say this: The corporation—that's what it is—has every right in the world to be concerned or to object—not to the questions, but to the manner in which the questions were addressed by the member for Etobicoke. I do want to emphasize that it is to the member for Etobicoke, because, in fairness to him, he was not the chairman of the committee when he addressed those questions. He very properly was out of the chair.

The one thing I do want to correct is this matter of the list that is being kept secret from the Etobicoke organization. The president of the Etobicoke Condominium Association, when he was a member of the board of directors of Condominium Ontario, said he would resign if that list were ever made public, because it was obtained from condominium corporations on the basis that it would be confidential. This is a very real problem. It is a problem I will be addressing in the very near future, but it is not one of those where some people have used their money to get a list and now won't put it out.

They went to condominium corporations, which said, "No, we're not going to give you a list." They said: "It will be absolutely confidential." Now, of course, there is the thrust that it not be kept confidential; that it be completely opened up. I want to emphasize that the Etobicoke Condominium Association, which now wants the list opened up, is the one that insisted in the beginning on the confidentiality and the privacy of it. I suggest to the member this is going to be a very difficult one for the minister to referee. He should keep that in mind. When people want something in the fall of the year, they should remember what their position was in the spring of the year.

In regard to the minutes, the reason one of the minutes was not in there was that the committee had not asked for it. They had not asked for that October one.

Mr. Philip: It was asked for by me in my letter.

Hon. Mr. Drea: Mr. Speaker, I wish the member would pay attention to me. When these estimates were in committee, I offered to get the minutes. That particular minute was not relevant to this. If the member tells me the committee wants that particular minute, I will get it. It has to be remembered that this is a corporation dealing at arm's length from the government. They have their own board. The minister isn't there. They have their own minutes. In the future it's going to be a fully elected board; not just an interim board. We don't go to the Housing and Urban Development Association of Canada home warranty people, who deal at arm's length from the government, and say their minutes are for the Legislature. The minutes of the new insurance agents' self-regulatory body were never intended to be filed with the Legislature. I don't see the basis upon which minutes from a non-shares, nonprofit corporation dealing at arm's length from the government are automatically put into this Legislature.

Mr. Philip: On a point of order, Mr. Speaker: Since the minister indicated it was the position of the Etobicoke Condominium Association—if not, he implied it was the position of the Etobicoke Condominium Association, or at least it was the position of Mr. Littlefield—that the minutes be kept secret or "confidential," which is the word he used, I'd like to point out to him—

Hon. Mr. Drea: I didn't say "minutes." I said "list."

Mr. Philip: Okay. That the list be kept confidential. I'd like to point out to him the minutes of the board of directors' meeting held in suite 706, 44 Eglinton Avenue West, on August 7: "It was moved by Terry Little-

field and seconded by Ralph Lewis that he reconsider a motion in the minutes of June 19, 1979, with regard to the confidentiality of the mailing list of Condominium Ontario."

I'd like to point out that motion, moved by Mr. Littlefield, clearly indicates he was in favour of having public disclosure of the minutes of Condominium Ontario and was not of the position indicated by the minister. He can check his own minutes, which he kindly supplied to me, from Condominium Ontario to verify that fact.

Mr. Acting Speaker: The member's point is on the record.

Hon. Mr. Drea: I understand Mr. Littlefield made the remarks in the presence of members there. If Mr. Littlefield did not make those remarks, then Mr. Littlefield can come and see me and say he did not make those remarks. It is so simple.

Mr. Philip: The minutes show otherwise. Do you not even trust the minutes of Condominium Ontario, not what someone might have said in some barroom or other?

Hon. Mr. Drea: Mr. Speaker, that remark is unworthy of the member. Those remarks were not made in a barroom. They were made in a boardroom.

Mr. Acting Speaker: I don't think the House is going to gain much by conducting this controversy further. It's a matter of record which I assume the minister will follow up in due course.

Hon. Mr. Drea: There are a number of things that were wanted. We will consider the request of the member for Riverdale (Mr. Renwick) regarding the Universal Product Code and its general applications.

On the question of the consumer warranty, at the moment we are trying to seek uniformity in legislation across the country. If we cannot do that, we will obviously have to go ahead alone. As to what session it will be in, I don't know at this time. There is an additional report by the law reform commission which we have just received and which undoubtedly will shed new light and new thought upon the subject.

Regarding the concern about product safety, that is something the federal government is disengaging from the province. They will be able to devote more funds to it, and it is a commitment by the federal Department of Consumer and Corporate Affairs to do much more in the area of product safety, which will answer many of the concerns of the member.

Although he is absent, the member for Scarborough-Ellesmere (Mr. Warner) did ask a couple of questions about aluminum wiring. I can provide a bit of an interim report. Since we opened up the centre, just before the opening of the March session here, there have been approximately 8,600 phone calls; of those, about 5,700 asked for an inspection which, as you know, is provided free. We have done all but 443 of the inspections requested. The problem with the ones remaining is that they have made appointments with us for an inspection and then haven't been home; so we are giving them until the end of this month. When they make an appointment with us two or three times and still break it, we begin to wonder if they want the inspection done.

The percentage of problems is about 15 per cent; faulty receptacles are the most common. We have uncovered an awful lot of houses that were wired without a permit. I'm not talking about the ability of an electrician or somebody skilled to do their own wiring; they get a permit, so it can be checked. We have found that an appalling number of these houses with problems have been wired in a most peculiar manner. There is very little we can do except to say, "You have to get a permit and somebody in here to start all over again, because, regardless of why you did it, you can't go on much longer with this type of wiring or you are going to have difficulties." I throw out that statistic, because it wouldn't matter what kind of wire you had when that sort of thing is done.

I want to say to the members they must bear in mind that Professor Wilson said aluminum wire is safe. You must go into how it is installed. We are looking at that installation. It doesn't have much relevance to the situation in the United States, because one of their major problems, the zinc screw, was never allowed here.

I am hopeful of being able to put out a full and final report on the aluminum wiring resource centre some time before the end of January, and I think that report will address itself to the questions asked by the member for Scarborough-Ellesmere.

I want to thank the members of the House and those who were in committee for their constructive suggestions. I go back to last year when, if it wasn't for the persistence of a member on a long-forgotten and long-neglected case, probably nothing would have been done. There is an obligation on the members here to constantly stimulate the minister and the ministry into reviving lost causes and taking another look. I find that sometimes, when you take that last and final look, you come up with—

Mr. McClellan: No cause is ever lost.

Hon. Mr. Drea: If it is left in oblivion, it is lost. I want to thank the members for their constructive contributions and, as I say, I will take care of certain matters with individual members as rapidly as possible.

There is one last thing, a matter of very urgent importance, particularly to the member for Niagara Falls. There will be no casino gambling at the CNE. We are not bereft of our senses. The policy is, no casino gambling.

What is happening at the CNE has already happened at Western Fairgrounds, the Central Ontario Exhibition at Kitchener, at the Oktoberfest and so forth. What we have done is provided Monte Carlo operations at fall fairs and special ongoing events like Oktoberfest, putting all of the wheels and the tables under one operation. The one stipulation is, it must go to the fall fair. It cannot be run by an operator; it must be run by that fair or, in the case of Oktoberfest, by the Waterloo Lions. It is a control mechanism, and it is a very useful way of diverting money into capital funds. It must be retained by the CNE or other fall fairs, and there is a dollar limit.

So it is not a deviation from provincial policy, which is no casino gambling. This is social gambling. We think it will provide a perhaps not substantial donation to the CNE but enough to carry out a number of building projects both there and at other places that would otherwise have to be borne by the agricultural societies, which means the taxpayers. But there is no inconsistency with that and the policy of no casino gambling.

It is also my very firm understanding from officials in New York that there will be no casino gambling in New York state, including Niagara Falls.

Mr. Acting Speaker: The resolution before the House is for concurrence of supply for the Ministry of Consumer and Commercial Relations.

Resolution concurred in.

The House recessed at 1 p.m.

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No. 136

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Third Session, 31st Parliament
Thursday, December 13, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 2 p.m.

STATEMENTS BY THE MINISTRY

DUMPING OF LIQUID WASTE

Hon. Mr. Parrott: Mr. Speaker, I have been in this House for a number of years now, so I feel pretty familiar with the type of political gamesmanship we all indulge in from time to time. However, on Tuesday the Leader of the Opposition (Mr. S. Smith) made some statements which I feel went far beyond that. Because of the seriousness of the allegations he made I would like him to clarify them for the benefit of the House.

During question period he stated my staff and I were aware of illegal activity at the Upper Ottawa Street landfill site in Hamilton and that my staff had decided to take no action on the matter. He also implied that a judicial inquiry could implicate ministry staff and that the charges we had laid in the situation were, in his words, a smokescreen.

According to at least three media accounts he then went on to say, outside the House, that the ministry had laid the charges to protect its own officials; that two top officials of the ministry were implicated in the plan to dump waste illegally; and that the ministry employees participated in a coverup of illegal dumping. Apparently he then refused to name either the two top officials or to supply concrete proof of his accusations.

As the members may remember, this is not the first time he has taken this tack. This incident has been characterized by his unsupported allegations that ministry staff have been involved in illegal activity in some way. He keeps making these statements, placing the integrity of the entire ministry under a cloud of suspicion, but he has yet to offer a shred of evidence to back them up.

In a letter dated January 5, I asked him to produce his proof. I repeated my request in the House on March 13. On March 27 I gave a complete report on the situation to the Legislature, and I again asked him to show his evidence or refrain from making such remarks. I told him that if he wished he could give his evidence to the Attorney General (Mr. McMurtry), the police or the courts which were hearing the case. He chose not to do so on all occasions in favour of offering allegations to the media. He seems to be pursuing this same course again. Therefore, I feel it is imperative this situation be clarified today, once and for all.

I want to know if the Leader of the Opposition agrees that the media accounts accurately reflect his comments. If they do represent what he said, then in the interests of justice I would like to ask him to name the two top officials he feels have been implicated in illegal activity or a coverup of such activity.

I would also like to ask him to produce the evidence upon which he makes his charges. If he wishes, I will meet with him today for this purpose, or arrange for him to meet the Attorney General or other appropriate law-enforcement officials of his choice.

He has stated he will only give his evidence before a judicial inquiry. There has been no evidence produced by the ministry investigation, by the regional police investigation, by the municipality's investigation or by the court case which indicates a judicial inquiry is necessary. If he has proof that this is not so, he is under an obligation to this House, and indeed to the citizens of Ontario, to produce this evidence for the appropriate authorities. If he has this evidence and does not produce it, he is responsible for allowing illegal activity to go unchecked.

If he does not have this evidence then I ask him, on behalf of my staff, for an apology for his attacks on their integrity. For him not to comply will leave a cloud of suspicion over the lawyers who filed the charges and prosecuted the case, over the ministry's regional staff who participated in the investigation, and indeed over anyone in the ministry who was at all involved in matters relating to the Upper Ottawa Street landfill site.

Mr. S. Smith: I wish only to say, on a matter of privilege, that every word I have issued on the subject of the Upper Ottawa Street dump has been accurate and can be backed up. I wish to say further that whatever information has come into my possession with regard to the Ottawa Street dump will be provided to a judicial inquiry when such

a judicial inquiry is held, as it should have been long ago.

Hon. Mr. Parrott: Mr. Speaker, on the matter of privilege, I think it's that simple. If there is evidence, the people of this province deserve to have that evidence—

Mr. Breithaupt: Then call an inquiry.

Hon. Mr. Parrott: I will call an inquiry on one condition.

Mr. Breithaupt: There are no conditions in calling an inquiry.

Hon. Mr. Parrott: I would suggest to the member if his leader is prepared to stake his seat on whether his accusations are founded—

Interjections.

Mr. Speaker: Order. The Minister of the Environment, by way of a ministerial statement, has stated the policy of his ministry with regard to a certain series of events of an environmental nature in the province. By way of a request, he has asked the Leader of the Opposition to take certain initiatives. It is not the responsibility of one member to demand certain action of another member. The minister has requested certain information from the Leader of the Opposition. He has stated his position quite unequivocally and the matter should end there.

FEDERAL BUDGET

Hon. F. S. Miller: Mr. Speaker, before I begin my statement I would like to ensure that the leaders of the opposition parties have received their copies. I would like also to apologize. There are only three copies at the moment; more copies will be coming through in a few moments.

Today I would like to make some observations about the federal budget. I do not envy the Honourable John Crosbie, the Minister of Finance, his task. He has inherited the cumulative problems of 16 years of misguided financial management of this country's economy. The last five years in particular have added to the woes of any government for a Minister of Finance.

Interjections.

Hon. F. S. Miller: Members are not going to hear me because I am going to read.

The federal debt today—

Interjections.

Hon. F. S. Miller: I hope the school children in the galleries do not act in the same way.

The federal debt today is eating up about 17 per cent of the government's spending. Obviously, such a gigantic and growing bite out of the budget must be turned about. Thus, I accept in principle the objectives stated by the Minister of Finance to reduce his spending deficit, to reduce the growth in spending and to eventually bring his budget into balance. What I cannot accept are all of the routes he has chosen in order to do so.

Had the federal government the foresight in 1975 to do what this government has had the courage and the wisdom to do, to cut its spending below the inflation rate, then the problems faced by Canada and by its present government would have been far easier to manage.

In fact, as the Lambert report stated a year or so ago, under the previous government the bureaucracy was virtually out of control of the elected representatives. I sincerely hope that the action started by my colleague will signal the end to such a bad state of affairs. Having agreed with his objectives I must now comment upon his means.

There are some features of this budget, particularly those relating to investments and small business, which will lead to a healthier climate for investment. It is our belief, however, that the issue of energy pricing and energy taxation will lead to some difficulty and serious economic problems.

The members are all aware of the stand this government has taken with regard to oil and gas pricing. We have strongly opposed, and continue to oppose, price increases which go beyond the current federal-provincial agreement without any changes made to the distribution of oil and gas revenues.

Many of the proposals of the federal government will not help our economic performance and not advance the capacity of our economy to grow. In the view of this government, there must be a positive up-front offset, or massive reinvestment of the enormous energy revenues to ensure that the economy of this country does not receive a mortal wound in the next year; that the excise tax increase of 18 cents to the gallon, while better than the predicted 30 cents, is going to mean an additional $2.5 billion annually in tax revenues. Wellhead price increases next year are going to take another $2.2 billion out of the pockets of business and consumers.

The price and tax increases laid out by Mr. Crosbie mean that Canadian consumers could be paying $19 billion a year more by 1983. Ontarians will bear the brunt of these increases. We're going to pay $1.6 billion more next year. That translates roughly to $575 for every Ontario household. In 1983 we'll be paying $6.2 billion more for current volumes of oil and natural gas. What that

means, Mr. Speaker, is that in the four-year period to 1983 our consumers and businesses will have paid more than a staggering $15.7 billion for their oil and gas than they would have without these announced price and tax increases.

I'm sure that the honourable members realize the gravity of the economic burden this places on us. There are two impacts which will begin to reverberate and echo through the economy, impacts that will damage the economic fabric of our society.

The first is higher levels of inflation. The federal Minister of Finance is predicting an inflation rate of 11 per cent next year. I find that particularly worrisome. I do not think we're going to see an easy year ahead of us if that prediction comes true.

The second impact is that we expect to see a drop in consumer and business incomes. For those who say that the energy price increases will not be hard to take, let me outline the impact these increases will have on Ontario consumers.

In 1980 most people will pay over $200 more for their heating oil and gasoline. That's about four day's pay before taxes. What does this mean for the average Ontario worker? After taxes, the family breadwinner is going to have to work six or seven extra days just to maintain the 1979 standard of living, or they can all demand that wage increase—and I think the members know what that would do to the inflation situation.

The situation will be more difficult by 1984. Individuals will be paying out some $900 a year more for their heating oil and gasoline. Even if wages rise by 10 per cent a year consumers will be paying out more than two weeks' wages, and that's before taxes, to meet these added costs. These increases are going to finance Ottawa's deficit and to increase the already bursting treasuries of the producing provinces.

There is even some question as to whether these measures will produce the energy conservation the federal government is looking for. It has been estimated by some that for every 10 per cent increase in the cost of energy, particularly of gasoline, energy consumption drops by only one per cent. That is hardly enough to produce the goal of energy self-sufficiency, yet it will place heavy burdens on our economy.

[2:15]

There are four other reasons why we oppose this imposition of higher oil and gas prices.

First, there is a considerable time lag between the time energy price increases hit and federal offsetting programs begin to ease the burden. In 1980 there are no offsets announced. It is not until 1981 the energy tax credit for low income earners takes effect. That program will not be fully operational until 1982, two and a half years away. Because of this graduated timing its offsetting impact is far less than the cash loss of the higher prices. However, we are pleased that they have at least taken some action to cushion the blow. I might add this action was taken largely because of the urging of Ontario.

Although the revenues of producing provinces will literally be doubled and heritage funds will swell with new wealth, the federal energy bank will see no more than a trickle of money in its first two years and conservation incentives, like the expanded Canadian Home Insulation Program, will only get a small fraction of those massive revenue flows.

Second, the federal government has said for some time that all provinces are equal. If I remember my history, that was the basis for the foundation of this country. But what Ottawa has done in this budget is to say that some provinces are more equal than others.

I am extremely disappointed the Maritime provinces are being favoured at the expense of Ontario and the rest of Canada. The subsidy to those provinces to offset fuel cost and electrical generation will surely be paid for in large part by Ontario taxpayers. That will be in addition to the inevitable rise in equalization payment to the other provinces following these increases in oil and gas prices.

Third, our opposition to this energy policy relates to the traditions of taxation established in this country. As the members know, its original purpose was to subsidize the higher costs of imported oil used in eastern Canada. That is the excise tax.

Mr. Speaker, that purpose has now been lost. The federal government is now proposing to ease its budget deficit with those revenues.

Fourth, the fiscal balance within Confederation will be materially affected by this budget. The federal Minister of Finance said net petroleum revenues, excluding the excise tax, will amount to about $90 billion total accumulation in the next four years.

To get an idea of what that means, I would point out to members that Ontario's annual gross provincial product is now a little over $100 billion a year. We are talking about cash flows that cumulatively rival the size of our provincial economy roughly every four and a half years. To compound

that problem, the federal proposals would double the annual flow of cash to the producing provinces in four years.

Without any doubt, this will produce the most massive unbalancing of the fiscal foundations of this country we have ever seen. Some $40 billion in revenue will flow to the producing provinces over that four-year period. This sum amounts to some 45 cents out of every dollar earned going to the producing provinces.

The federal government has shown itself so far to be unwilling to discuss the redistribution of the wealth arising from the production of oil and gas—a redistribution which the province of Ontario has, in the past, willingly shared in.

Federal levies have always been used for the benefit of all of Canada. Historically, when Ontario was the wealthiest of the provinces we supported the others through our taxes. Ontarians paid more so the poorer provinces could benefit from our wealth. There were never any strings attached.

Turning to the field of public transportation, I am greatly dismayed the federal government would levy a tax on fuels used in public transit. While these fuels are subject to provincial gasoline and diesel taxes, that is more than compensated for by the heavy provincial subsidies for public transit.

I find it extremely difficult to square the federal actions with this loudly-proclaimed priority on energy conservation. I have already written to Mr. Crosbie, asking him to reconsider that ill-advised move.

My initial reaction to the energy aspect of this rather complex budget is that while some of the features meet Ontario's proposals in principle, they do not go nearly far enough. The consumer is really left with the prospect of financing the federal government deficit with higher taxes and higher energy revenues, while the producing provinces will get a larger windfall again. We have no guarantees the federal government will ensure the stability and growth of the national economy by planning for, and insisting on, the reinvestment of these large petrodollar revenue flows in our economic future.

Turning for a moment to the area of corporate taxation; I must say I was delighted with the proposals for small business contained in the budget. The development bond should be a valuable financing tool for small businesses and will complement the equity incentives which we have introduced in the Ontario small business development corporations program. This program will be particularly helpful in getting small businesses through this difficult period of high interest rates.

I am also very pleased with the tax treatment which the federal government will be according to the capital gains and losses on SBDC shares. In essence, the Ontario share credits will not be subject to capital gains tax. This and other tax provisions relating to the taxation of SBDCs that had previously been agreed to reflect the very positive attitude by the federal government to our SBDC program and we appreciate it.

With respect to the five per cent corporate surtax I will only mention that I would have preferred to see small businesses and manufacturing and processing exempt from that tax. Also, I would have preferred to see additional incentives for Canadian research and development contained in the budget.

Finally, on the subject of corporate taxation, I want to mention that the provision of rental accommodation in Ontario continues to be of high priority to this government and I am disappointed that the multiple urban residential unit or MURB incentive will not be continued.

There are other tax changes which will affect the consumer more directly. Before moving on to personal income tax changes, let me outline our reaction to the changes in the consumption taxes introduced by Mr. Crosbie. I have already dealt at some length with the increase in the gasoline excise tax. I have made clear that we view this increase as an intrusion into provincial jurisdiction. I have similar reservations, Mr. Speaker, about the additional federal occupancy of excise taxation of liquor and tobacco. While the federal government has played a traditional role in this field, it has now assumed the dominant role in tobacco taxation and is getting close to that position in alcoholic beverages. The squeeze play on provincial tax room concerns me a great deal.

I am more encouraged by some of the personal income tax changes introduced by the Minister of Finance. I have already mentioned the energy tax credit and said we are pleased the government has taken this step. However, I am concerned that this system of tax credits—the energy credit, the mortgage-interest tax credit, the property tax credit, the child tax credit—is becoming extremely complicated. While I am not doubting the worth of these programs, there is no question that the tax credit system is increasingly confusing for the average citizen. Because of this, I believe that Ontario will have to review its own position in the tax credit field. I will have more to say on that when I present my budget in the spring.

In the meantime, I was pleased with the capital gains changes proposed in the federal budget for promoting equity investments by individuals through RRSPs and the new common stock investment plan. Naturally, I was also pleased to see the easing of capital gains taxation on farmers. Canadians have often been told that they are a nation of savers. I hope that these changes get the money out of the socks and into the stocks where it will generate increased investment, more jobs and a stronger economy.

It was also encouraging to see the federal government proposing a major review of capital gains taxation, a review that I hope will lead to the improvements in that legislation.

Finally, while on the subject of personal income tax, I might note that I am pleased to see the exemption for allowances paid to volunteer firemen increased to $500. But that is not nearly enough. I personally urged the Minister of Finance to increase this exemption to $1,000.

Mr. Speaker, I would like to turn now to the fiscal projections made by the Minister of Finance. It was with some interest that I noted that he tabled a four-year fiscal plan, something that Ontario pioneered in 1977. These federal projections show a reduction in Ottawa's deficit from this year's level of 4.4 per cent of the gross national product to 2.1 per cent in 1983-84. While that is encouraging, it still will be twice the current Ontario deficit of 1.1 per cent.

Although we applaud Mr. Crosbie's efforts to reduce the federal financing requirements from some $10 billion this year to $4.8 billion in 1984, the federal expenditure projections are a little disappointing. I am also concerned about the ability of the federal government to meet lower deficit targets. During the four-year planning period, the total federal spending is projected at a 10 per cent annual rate of growth. This hardly can be characterized as belt tightening on the part of the federal government. In 1980-81 federal discretionary spending, which is mainly on its own account, will grow by 10.6 per cent as opposed to the 6.3 per cent for statutory transfer payments to the provinces and to individuals.

There are two key reasons for my concern. First, the high growth in discretionary spending, which is primarily "own account," could continue to place upward pressures on Mr. Crosbie's 10 per cent spending target. If this happens, that target could be maintained only at the expense of federal transfer payments. In particular, those payments made to provinces to support social programs may be reduced.

The second, perhaps even more critical, dimension of the problem involves the structure of the federal revenue base itself. This federal budget is showing the cumulative effects of all the tax reductions which were undertaken by the previous federal administration. While there may have been good reasons for each of these reductions, the net result has been the creation of a serious revenue-growth problem for both the federal and the provincial governments. Both these factors together have produced a major gap in the capacity of the federal government to reduce its deficit.

This helps to explain what the federal government has really done in developing its four-year deficit reduction plan. It plans to achieve deficit reductions not primarily through cutting down expenditures, be they tax expenditures or otherwise, but by raising taxes on energy. In fact, a fair amount of what we have seen in this budget has relatively little to do with energy policy and a lot to do with raising taxes of Canadians.

As I said when I first stood up to deliver this analysis of the federal budget, I accept and admire the financial objectives stated by the Minister of Finance. As I said then, however, and as I think I have made clear, I can't accept the routes he has chosen to do so. There are some considerable economic problems that will arise as a result of this budget.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: In the coming months the economic performance of the country will focus debate on four issues: the rate of inflation, the level of new job creation, the level of new investment in plant and equipment and the whole range of energy issues. What the federal budget signals, quite validly, is the difficult condition of our economy and the deep fiscal problems the country has drifted into in the past decade. However, this budget will result in a slower rate of growth across the Canadian economy.

At the recent first ministers' conference on energy we documented the potential impact of various influences on the economy, including the effects of oil and gas prices and excise taxes. Based upon the information we have now, it seems that the economic impact of this budget will be significant in 1980, amounting to a loss in real growth of up to 0.6 per cent of the gross national product, and for some regions that could be a little higher.

Inflation will be as much as 1.5 per cent higher than it otherwise would have been. The increase in unemployment insurance premiums represents both an employment tax to business and a loss of income to workers. In 1977, Ontario taxpayers contributed $613 million more to the unemployment insurance fund than Ontario's unemployed received in benefits. This will be probably closer to $1 billion by 1980.

The negative effects on Ontario's employment will not be offset by the proposed new employment tax credit. The total effect of budget measures will mean that job creation across Canada will be less than it would have been. In Ontario, the loss of new job opportunities could be as high as 20,000 jobs. That is the impact in 1980 alone. The cumulative impact on the national economy of these measures will be much more serious over, say, a five-year time span.

The areas where our governments would be in conflict were, I believe, eminently predictable. We took our position on energy pricing back in 1973-74 and we have remained consistent. In the past, we have been both pleased and disappointed with the policies of the previous administration as we are with the current government's. We will continue to press for broader reinvestment of energy revenues in public transit, conservation, energy exploration, economic adjustment and self-sufficiency. We will continue to defend the national interest as we see it. We have a commitment to the Ontario consumers and, indeed, to the economy of this province to protect and support these more specific interests. Whatever the government in Ottawa, despite our political affiliation, the government of Ontario's responsibilities and duties remain constant.

MEDICAL CONSENT

Hon. Mr. Timbrell: Mr. Speaker, on a point of order: I realize the new rule of the House about the 30-minute limit on Thursdays. Had there been time today, I would have delivered a statement and then tabled a paper to do with medical consent. With your permission, I would like to distribute it and consider it as having been given inasmuch as I can't be in the House tomorrow. I had promised at least one member of the House to say something about it this week.

[2:30]

RESPONSES TO PETITIONS

Mr. Breaugh: Mr. Speaker, I would like to raise a point of order under section 29(i) which says, "The minister shall provide a response to a petition within two weeks of its presentation."

On Tuesday, November 20, members of this caucus presented a petition to this House. Some 275,000 people signed the petition expressing concern about medicare in this province. This morning the minister, again, received further petitioning of a sort, with another 75,000 names.

The minister has said in the House on two occasions now that he was going to personally write to each person who signed that petition. May I ask under this standing order when we might get the response to our petition?

Hon. Mr. Timbrell: Mr. Speaker, speaking to the point of order I have signed a general response which was filed in the cabinet office and I thought had been filed here. I have certainly signed it. It's just a general response.

But on the other part I felt that my response to the members' campaign and allegations was so widely covered that we're going to help the Red Cross instead.

Mr. Breaugh: Very briefly, does the standing order not call for a response to the House within the two-week period? Since we have not received that response, what is our recourse?

Mr. Speaker: Has the response been tabled?

Hon. Mr. Timbrell: On that I'm not sure.

Mr. Speaker: Unless it has been tabled it doesn't meet with the requirement of standing order 29. Perhaps the government House leader could look into that.

ORAL QUESTIONS

FEDERAL BUDGET

Mr. S. Smith: Mr. Speaker, I have a question for the Treasurer, given that by his own analysis it is now clear to him as it is to everyone in Ontario that the economy of Ontario will be drastically, negatively affected by this budget.

We have lost on the matter of oil price, oil taxation and on the matter of redistribution of oil revenues. Is the Treasurer now then prepared to demand from Ottawa the $460 million accruing to Ontario by way of equalization payments under the existing equalization formula so we can use that money to cushion the blow of this dreadful budget on the middle and low income earners in Ontario?

Hon. F. S. Miller: That matter, of course, will be raised again. I have said that redistribution is the primary objective. To this point we still have Monday and Tuesday to discuss redistribution at the first ministers' meeting

and I think one should wait until we've passed that point.

The act is being administered as if the bill had been introduced, I have been assured of that. The federal Finance minister said in his budget that he has still not worked out the details of the energy tax, for example. I would hope that at the same time he hasn't intended to work out the details of redistribution until after the arguments on Monday.

Mr. S. Smith: Supplementary: Given that there has not been a single word spoken on the subject of equalization in the federal budget; and given that the bill the minister mentioned the federal government will be bringing in is apparently not a bill which the people in the federal Ministry of Finance seem to be expecting in the next year or so, why does Ontario not demand the $460-odd million owing to the province?

We've paid our share in equalization, it's time now for us to accept what's coming to us. Why doesn't the minister demand that money so we can use it in Ontario to cushion the blow of this budget for this winter?

Hon. F. S. Miller: Mr. Speaker, the honourable member has always tried to make the redistribution of oil revenues and the equalization payments the same thing. They are not. If no change is made in the redistribution I have assured the member that the rediscussion of equalization formulae would subsequently likely follow.

Mr. Cassidy: Since it is now clear from the budget we had on Tuesday night that a major purpose of the increase in the federal excise tax on gasoline has been to raise the $575 million cost of the mortgage tax deductibility or credit—which is going to high-income home owners in this province and other parts of the country—will this government go to Ottawa and tell the federal government that it should take away that mortgage tax plan in order to take the $575 million and direct it to people on low incomes to protect them against energy price increases?

Hon. F. S. Miller: The energy tax credit of $80 per adult and $30 per child, unlike the property tax and mortgage-interest deductibility credit, is refundable. Therefore it will have some impact on people at the lower end of the income scale.

Mr. S. Smith: Supplementary Mr. Speaker: After reading this long statement to the House detailing the enormously negative impact this budget of his federal friends and brethren will have in Ontario, will the Treasurer now do what one of his predecessors, Mr. McKeough, did after a budget he didn't think was very helpful to Ontario back in 1975? Will he bring in a counterbudget of some kind this session in Ontario to mitigate the effect of the budget?

I would remind the Treasurer what Mr. McKeough said at that time. He said, "No member of this Legislature can be unaware of the fact the government of Canada has tabled a budget, a surprising document, a document irrelevant to the needs of Canada and Ontario, a document that fuels inflation, that is mischievous in terms of the clear interest of the people in the provinces."

He brought in a counterbudget. What is the Treasurer going to do now that it is his friends in Ottawa who have brought in a budget that has been destructive to the people of Ontario?

Hon. F. S. Miller: The Leader of the Opposition is a complex person. It is a happy season but he is not a happy person. I often wonder whether I am listening to Harold Smith, Stuart Greer or just good old SS himself.

If you look at the timing of them, Mr. Speaker, most of the impacts, except for the 18 cents on fuel, are phased over a period of time. That period postdates my budgetary period. I am going to take my time, as I should, to calculate the net impacts to my budget—which, by the way, is doing very well and will continue to do well through this fiscal year. I will have whatever action is required in my budget.

Even under the Liberal regime we always tried not to take counterproductive measures unless we are totally committed they would be effective for our people.

INDEPENDENT GASOLINE DISTRIBUTORS

Mr. S. Smith: A question of the Minister of Energy (Mr. Welch). He was here. Does the Premier know if the minister is coming back?

Hon. Mr. Davis: He is coming back in many ways.

Mr. S. Smith: I will ask the question of the Premier. He may know something about it.

In view of the discussions between federal and provincial officials as recently as yesterday regarding Gulf Canada Limited and the announcement it would be cutting back gasoline supplies to independents. Since the minister didn't seem to know yesterday when that question was asked, has the Premier today any new information he can give to the House on what seems to be a situation where Gulf is cutting back to independents rather

than to its own people in a situation where there is really no call for them to do that?

Hon. Mr. Davis: Mr. Speaker, in that the Minister of Energy has dealt with this related to another quite similar question yesterday with respect to another company, I suggest he will be here shortly and will be delighted to share whatever information he has with the Leader of the Opposition.

Mr. S. Smith: Obviously I will have to wait for him, but I would just ask by way of supplementary, so it is on the record and the minister might wish to respond when he does get here, is the Premier aware that Gulf is dealing with its shortfall in supplies by cutting back independents by 40 per cent and only cutting back its own distributors by eight per cent when these independents are, of course, a source of competition for Gulf's own distributors?

By squeezing the independents Gulf is in a position to have much more control over retail prices. Surely it is up to the province to put whatever persuasive power it has to work to get Gulf to be a little more equitable in these matters.

Ms. Gigantes: Supplementary: May I ask if the Premier is encouraging the Minister of Energy to give us an answer on this question and the related one of cutoff of supply to Safeway Fuels in eastern Ontario? Can I ask him to inquire of the Minister of Energy whether he is satisfied to watch a firm of that size go under in eastern Ontario?

Hon. Mr. Davis: Mr. Speaker, I think I can say in advance of whatever the Minister of Energy may or may not reply that he would not be satisfied to see that particular firm go under.

FEDERAL BUDGET

Mr. Cassidy: I have a question of the Treasurer on the federal budget which came out on Tuesday and in the wake of his statement today.

In the absence of any manufacturing strategy by the federal government in the budget that was presented by Mr. Crosbie this week, and in view of the Treasurer's own admissions that this budget is going to cost us 20,000 jobs in Ontario, would the Treasurer say what plans this government has in order to protect those 20,000 jobs and make sure they are not eliminated?

Hon. F. S. Miller: In spite of the opposition of the honourable member's party, we continue, through the Employment Development Fund, to make moves that create jobs. We have done so across this year. I would say that we have had perhaps the best year-over-year increase in employment Ontario has ever recorded. The latest figure I saw showed that over November of last year, which was not a bad month, we had 145,000 more people working in Ontario than we did 12 months ago.

Mr. Cassidy: Supplementary: The Treasurer said he is prepared to do nothing to replace the 20,000 jobs which will be eliminated from the federal budget. Could the Treasurer say what the government is prepared to do, since there are 13,000 automobile workers who are right now on indefinite layoff and since there are 11,000 auto workers in Windsor alone who will be without work next week because of layoffs? Since all of that occurred before the federal budget started to have an impact, what action is the government prepared to take in order to restore those jobs within the automobile industry that affects so many communities across this province?

Hon. F. S. Miller: Mr. Speaker, the other day I believe you ruled that was not a matter of urgency and a debate did not follow, but I happened to follow in my estimates. Mr. Speaker, you may have read the transcript of Hansard that day to discover that the debate took place within my estimates. I think a lot of the information was given that day, a lot of the points were raised. There were a lot of questions about the cyclical nature of that industry.

Of course we are concerned about it. Of course we are concerned about the current drop in sales, but I would argue with the honourable member that one of the best ways to support that industry is to have a reasonable supply of fuel and see that people are economizing. They will get their confidence back, because right now it's a matter of confidence in the buying side and basically in the States, not in Canada.

Mr. Sargent: Mr. Speaker, yesterday on CFRB, I thought the minister—I don't know whether I heard him right or not—said that this new budget would cost each man, woman and child in Ontario—eight million people—$4,000 per capita debt. Did the minister say that yesterday?

Hon. F. S. Miller: Over the time, not in one year.

Mr. Sargent: Will he tell me what he said then?

Hon. F. S. Miller: I have a calculation in my statement today that says the net amount is somewhere around $570 per family per year at the present rate. By the time we are

in our fourth year we are reaching the higher levels. The cost of energy per person per year is in the range of $1,000, by rough calculation.

Mr. Laughren: Mr. Speaker, even though the Treasurer has talked a great deal about the jobs created this year, since the forecasting agencies including the conference board are predicting as few as 30,000 will be created next year, and that was before this budget came out, is the Treasurer now prepared to tell us what his predictions are for 1980 for job creation, since he promised several times that he would do so? Is he prepared to table any plans he has to put in place for job-creation projects in Ontario?

Hon. F. S. Miller: I hope a good number of the jobs are going to be in the small business side. Looking at the complexities of the budget, it would be foolish today to give the member a figure, because obviously we have to put a lot of input in, for example, the differences the small business bond plan makes to the investment and expectations of little companies. That's important, very important.

In an area like mine in Muskoka, it can have a tremendous impact upon the kind of construction programs or expansion programs that go on. With small businesses it will do the same thing all across this province. I have to net out the positives and the negatives that are going to occur through this. I haven't got that figure yet; as soon as I do have one, I will be pleased to share it with the members.

[2:45]

Mr. O'Neil: I would like to ask a supplementary of the Treasurer. I wonder if the Treasurer could tell me, since I find it very hard to understand the reasoning in his statement today, where was he, where was the Premier and where were some of his party's members when they supported these Tory federal members? Did the Treasurer not discuss with them, prior to supporting them in the last election, what their stand was on some of these things we have heard in this latest budget?

Hon. Mr. Davis: How did you vote, Hughie?

Hon. F. S. Miller: Did the member ever get a commitment from Pierre Trudeau? The only commitment he would have got from him was to hospital.

Mr. Speaker: Order. The question was, "Where were you?"

Hon. F. S. Miller: Where was I? I was here.

Mr. O'Neil: No answer.

Interjections.

Mr. Speaker: Order.

Mr. Di Santo: In view of the fact that the Treasurer said the other day he was unable to answer questions about the automobile industry because they were questions pertaining to that sector; and in view of the fact that industry is the most important in the manufacturing sector in Ontario and is in a crisis, not only because of oil but also because of the inability of this government to negotiate with the big three companies for Ontario to have a fair share of the North American market, can the minister tell us if he has any clear idea of how he is going to deal with this basic industry, other than telling us we must hope and that things will be good?

Hon. F. S. Miller: I hope I heard the whole question. There were two leaders talking while I was trying to listen. Was it on the auto pact and what we are going to do? I am trying to answer and if I make a mistake in my answer or don't answer, would the member please stand up and repeat it? But one of the questions raised the other day and what I thought the member was implying is what are we going to do to get a fairer share of the auto pact? Is that what the member said?

Mr. Di Santo: Invest.

Hon. F. S. Miller: That's the same thing.

Hon. Mr. Davis: Or it is one example.

Hon. F. S. Miller: Yes, it would be one example. There were a lot of people who said either the Canadian government, which is the negotiating agent, or Ontario, which has urged the federal government, should get out there and demand a renegotiation of the pact. That's a very sensible thing to talk about until one looks at the unemployment and recognizes it is an election year in the United States. There is more unemployment in the automobile industry there than there is here and they are not likely to want to make changes that would move unemployment from Canada to the United States.

TABLE WINES

Mr. Cassidy: Before the House drowns in the indignation which the Treasurer has been directing towards the federal Parliament, I would like to ask the Treasurer a question about Ontario's actions with reference to that federal budget.

Since the federal budget, which Ontario has resisted, is adding 13 cents to the price of a bottle of table wine, will the Treasurer

undertake to dissociate himself from that particular measure by rescinding his decision to piggyback a 27-cent increase on to the price of a bottle of table wine? Will he stop ripping off the consumer by letting Ontario share in that federal tax increase?

Hon. F. S. Miller: One has to look at the whole budget to see what happens to the consumers of this province. As a result of three changes, we will have probably a net loss of something like $40 million in our revenue. It would be very foolish to make adjustments until budget time when I have the opportunity to look at markups on wine and liquor and the ability of the market to sustain them.

I would like to point out to the honourable member that for many distilled spirits the prices in fixed or constant dollars are considerably less than they were not too many years ago.

Mr. Cassidy: Supplementary: How does the Treasurer justify adding this additional Ontario tax when the markup on table wines is already 123 per cent? If Ontario is so outraged over the federal budget, why is the Ontario government joining with the federal government? They are both putting their hands in the taxpayers' pockets and taking money from liquor price increases.

Hon. F. S. Miller: Mr. Speaker, if the member looks at my comments he will find that is one of the very concerns I expressed. We have traditionally been the dominant force in certain tax fields. We're concerned those fields are being occupied, more and more, leaving us very little room to meet our legitimate requirements at a time when this government has consistently demonstrated its ability to manage its spending.

Mr. Breithaupt: With respect to the increases and the 123 per cent markup referred to by the leader of the third party, will the Treasurer in his review of these taxing opportunities consider making some exemption or dealing with the rates of exchange and also the transportation cost matters so taxes added by the province of Ontario are not automatically added on to these other areas over which the importers, certainly, or the Liquor Control Board have absolutely no control?

Hon. F. S. Miller: Mr. Speaker, both parties have been hitting me quite hard about import substitution. Members should drink Ontario wine which has a 58 per cent markup.

METRO TORONTO CONVENTION CENTRE

Mr. Eakins: I have a question of the Minister of Industry and Tourism. In view of the great job-creation potential of a major convention centre for Metro Toronto, can the minister tell this House at what stage his plans are to bring about the realization of a major convention centre here in Metropolitan Toronto?

Hon. Mr. Grossman: Discussions have now been held with representatives of the private sector to see if there is any private sector contribution possible. Discussions are going on between me and the chairman of Metropolitan Toronto council with regard to supplying him with enough information so he might approach his council with the request, I hope, for some major funding in order to match the funding offered by the levels of government.

Mr. Eakins: Supplementary, Mr. Speaker: Will the minister approach the federal government for a fairer share of their contribution toward the Metro centre? Is there any breakdown between the minister and the Metro chairman in regard to the division of costs in regard to the centre?

Hon. Mr. Grossman: No, there is no breakdown between me and the Metro chairman. He has not taken a proposition to his council as yet. I think he is hoping to do that within the next four weeks. After he has been to his council and we have seen the response of his council, then we'll know whether or not there is a shortfall and whether we might not be going back to the federal government to make up the difference.

Mr. Di Santo: Mr. Speaker, the Prime Minister announced three weeks ago in Vancouver that they are going to contribute a third of the cost of the convention centre in British Columbia. In view of the fact they are going to contribute only 25 per cent to the convention centre in Toronto, despite the minister's calculations on the value of the land, doesn't the minister think that is detrimental to the development of the centre in Toronto?

Second, doesn't the minister think this makes it very hard for the province and Metro Toronto to raise the money needed for the centre? Doesn't the minister think he should make a representation to the federal government so we have at least an equal share, as in British Columbia?

Hon. Mr. Grossman: Both the Metro chairman and I made very strong representations to the federal government, urging upon them the importance of contributing to our centre. That was done in the context of a commitment given by the former government and upheld by the current government that

they would go through with the previous commitment to Vancouver to fund one third. There was no commitment by the old government or the new government to fund anything in Toronto.

Both the Metro chairman and I very forcefully took the case to the federal government. As a result, they developed a new policy which, frankly, I'm not happy with but which does support, by their calculations, 25 per cent of the centre.

What I think would be detrimental to the situation would be if we took the position right now that it is going to be 33.3 per cent or nothing. That puts us in a position in which we risk some 2,000 construction jobs and 10,000 permanent jobs simply because we're going to dig in our heels and say unless the federal government gives us exactly the amount of money they gave to Vancouver, there will be no convention centre for Toronto.

I don't think that's a reasonable position to take. I think the public looks for more leadership from this government and from the Metro government than to take an ornery position such as that, given the history of the situation.

I'm not happy with it, but I'm not prepared to see the convention centre go down the drain over the federal shortfall.

UNIFORM GASOLINE PRICES

Mr. Wildman: I have a question of the Minister of Northern Affairs. Is he aware that as a result of the federal government's excise tax grab on fuel, gasoline prices for unleaded fuel in a number of small communities in northern Ontario have jumped to a range of anywhere from 31.5 cents per litre or $1.42 a gallon, to 33.1 cents per litre or $1.50 a gallon, compared with about 29 cents a litre or $1.30 a gallon in Toronto? If he is aware of that, is the minister now prepared to reverse this government's policy and accept the proposal made over a year ago by one of his own back-benchers to set up a mechanism to establish uniform gasoline prices across Ontario to eliminate this 15-cent-a-gallon differential between the southern and northern parts of the province?

Hon. Mr. Bernier: Mr. Speaker, the honourable member is certainly aware that the Treasurer has just made the position of this government, as it relates to the increased costs for fuel and gasoline across this province, very clear. I would remind the honourable member that we in northern Ontario enjoy some very extensive benefits relating to the registration of our automobiles. He forgets those little benefits we get. We also get increased municipal tax grants—unconditional grants—over and above what southern Ontario gets. There are a number of ways we in northern Ontario benefit from the high cost of living in that particular area.

Mr. Germa: Supplementary: Assuming a vehicle travels 15,000 miles a year, and assuming a fuel consumption of 20 miles per gallon, is the minister aware that the differential between the cost of operating that vehicle in Toronto and in northern Ontario is $112.50 per year, despite the differential in licence plates cost? What has his ministry got in mind to remove this discrepancy between transportation costs in the north and in the south?

Hon. Mr. Bernier: As the honourable member is aware, there are many areas of northern Ontario where the price of gasoline and fuel oil is equal to or less than that of southern Ontario. In Sault Ste. Marie, in Timmins and in many of the major centres the price of gasoline is equal to that of southern Ontario. The member mustn't bamboozle me with those kinds of figures because they're entirely wrong and the honourable members know it.

Mr. Speaker: A final supplementary.

Mr. Wildman: The minister will recall that in my question I said "the small communities." I have a list of them here with the prices. What, if anything, is he prepared to do about the effect this is obviously going to have on employment in tourism and in other industries in the north when people from other parts of the province and from the United States are faced with these exorbitant gas prices across our part of the province?

Hon. Mr. Bernier: We on this side of the House are very concerned with this situation. We've shown that concern in a number of different ways and we'll continue to react to it.

Mr. Speaker: The Minister of Agriculture and Food has the answers to several questions asked previously.

Hon. Mr. Henderson: Mr. Speaker, I've sat in this office since we opened early in October. During the six weeks I was here I had two questions. Two weeks ago today I took ill—I haven't been here since then, until today—and I find four questions have been raised during those two weeks. Agriculture is becoming pretty important.

Mr. S. Smith: We had a better chance of getting answers when you weren't here.

Hon. Mr. Henderson: No, you had to wait until I came back.

Mr. Speaker: Order. Can we hear the answers please?

HOPPER CARS

Hon. Mr. Henderson: The members for York South (Mr. MacDonald) and Huron-Bruce—no, Huron-Middlesex (Mr. Riddell), sorry. I guess I'm too mixed up, Mr. Speaker, for some reason.

An hon. member: They're close.

Hon. Mr. Henderson: They're close. They're pretty similar.

They asked a question on December 7 about corn marketing. They were apparently concerned that 20 per cent of the crop would not be marketed or harvested because of the limitations of storage and transportation services.

The corn crop in Ontario is estimated to be 25 per cent above last year's crop; about 170 million bushels. I am advised that the harvest is basically complete, except for the individual situation where the ground is too wet for harvesting.

[3:00]

In November the industry was very concerned about the availability of railway equipment. I sent a Telex message to the federal Minister of Transportation and the president of the Canadian National Railway and their responses were gratifying. Before the situation became of concern there were about 250 covered hopper cars suitable for moving grain in the southwestern Ontario fleet. Following our presentation Canadian National added 130 cars, Canadian Pacific 26, Conrail 20 and Chesapeake and Ohio, 30. The fleet moved from 250 cars to 445 cars, almost double. A review of the car supply situation indicates that an adequate supply is available and all orders are being met.

During the critical November harvest season, several elevators were forced to store corn outside until it could be moved through the system. I am advised this is no longer the case.

I have been assured that we have not lost sales to the Atlantic provinces because of the shortage of rail equipment or storage facilities. The market outlook for sales in eastern Canada this year is quite favourable.

The supply of western feed grains in the St. Lawrence region is lower than previous years, which suggests good demand for Ontario corn.

The chairman of the Ontario Grain Corn Council has called for improved vessel-unloading capabilities in eastern Canada to reduce the dependence of the corn industry on rail shipments.

My government, over the years, has provided grants for the construction of grain storage and handling facilities on farms. Recently the federal government and my ministry offered a grain-storage program which involved grants of close to $15 million to Ontario farmers. There is also the inland elevator program, a federal program which provides a combination of loans and grants to commercial elevators locating in the grain deficit areas. The program operates in Ontario and eastern Canada. I am happy to report that the outlook for the crop appears to be very good.

Mr. Speaker, did you want to ask for questions on that?

Mr. Speaker: There don't seem to be any supplementaries, so will you continue with the other questions?

LIVESTOCK PAYMENT DEFAULTS

Hon. Mr. Henderson: Mr. Speaker, I want to reply to the question the member for Huron-Middlesex asked in the House on December 10. His question was whether or not I consider the problem of default in payment for livestock to be of sufficient importance or priority to deal with in this session.

It is true that discussions concerning financial protection for livestock producers has been going on for a considerable period of time. I assure you that it is not my intention to prolong these discussions, Mr. Speaker. I recognize the producers' concerns and the reasons for them. A meeting is scheduled for next Tuesday for me to meet with the Ontario Cattlemen's Association, the Ontario Livestock Auction Association, the Meat Packers Council and some representatives of firms at the stockyards to hear their recommendations.

I am ready to proceed to develop a financial protection program within existing legislation, if this would speed up the introduction of financial protection for livestock producers.

In answer to the member's supplementary question, I am prepared to proceed with the plan for program protection against default of payment.

Mr. McKessock: Pertaining to protection, the minister says he is willing to proceed within existing legislation. Supposing he can't do it within that and has to have further legislation, is the minister prepared to give us a certain length of time within which this can be done? This has been going on for several years now. Can he tell us whether

this can be completed within two or three months?

Hon. Mr. Henderson: I have suggested to the delegations I have seen that if we could proceed under present legislation, we could possibly implement it about budget time. If we have to go ahead with new legislation, it would possibly take up to a year.

I am pleased to reply in detail to the question raised by the member for Huron-Middlesex concerning the chicken allocation in Ontario for 1980. I will now give him the facts in detail.

Mr. Speaker: How long is it?

Hon. Mr. Henderson: It is about two pages. I think it's fairly important.

Mr. Speaker: It should be done by way of a ministerial statement then.

Hon. Mr. Henderson: It's in response to a question, Mr. Speaker.

Mr. Speaker: That's right, but the standing order provides that if the response to an oral question is unusually long, the response will be given by way of a ministerial statement.

FRENCH-LANGUAGE AGRICULTURAL COLLEGE

Mr. Belanger: I have a question for the Minister of Agriculture and Food. In view of the importance of the agricultural industry to the economy of Ontario and to the large number of French-speaking young farmers who would like to take a course in agriculture in their own language, would the minister undertake to have a feasibility study made to determine the establishment of a French-language college of agricultural technology in southeastern Ontario where there is a very large number of young people who wish to make their career in farming?

Hon. Mr. Henderson: In response to the honourable member's question, we do have a report, a partial survey, on this particular situation. The cabinet has now authorized me to take an additional step, namely, to send staff within the area to make comparisons as to what students might be available there. The Centralia College of Agriculture could be used.

An hon. member: Centralia is too far away.

Hon. Mr. Henderson: Just a moment. We have suggested that they go into that area and take the number of students out of a similar population to see what number of students might be available to take the course if a school was set up in eastern Ontario. That is now in process.

Mr. Belanger: Supplementary: Could the minister give us any indication as to when the study would be completed and when the results will be available?

Hon. Mr. Henderson: I would hate to give a date a month from now, but I would hope before the next session opens we might have some idea as to what the possibilities are.

Mr. Roy: If I may ask a supplementary to the very excellent question asked by my colleague from Prescott and Russell, when he is looking at possible demand for such a college, would the minister keep in mind that perhaps the number of francophone students requiring this facility may not be an accurate reflection, in view of the fact that over 100-and-some years they have not had that opportunity and therefore, some of them may have been reluctant to enter agriculture because the facility was not available? Secondly, in making a determination, would the minister please not consult the present Minister of Education?

Hon. Miss Stephenson: Don't consult the member for Ottawa East either.

Hon. Mr. Henderson: If I may respond in reverse, yes, I will consult the present Minister of Education. Her advice is always accepted by this minister. I think I pointed out quite clearly that we are not making the survey of what French-speaking young people might be available. We are trying to make a survey of what might be available in young people. It doesn't matter what their background language is. We want to see the number of young people in that area who are willing to take this type of an education.

Mr. Samis: Supplementary: When the feasibility study is completed, would the minister not agree that it would be far preferable, since the majority of francophones are in eastern and northern Ontario, to have such a college or facility in eastern Ontario and if at all possible, to have a separate, independent, autonomous college and not made part of a greater anglophone institution such as Kemptville?

Hon. Mr. Henderson: That is what the question is all about—do we need a separate agricultural school? That is what the question is centred around.

PENETANGUISHENE MENTAL HEALTH CENTRE

Mr. T. P. Reid: Mr. Speaker, I have a question for the Minister of Health relating to a

program that was on Metro Morning, CBC, yesterday morning, relating to Penetang and the story of two men who had been placed in that institution. I found what came out on that program very, very disturbing and horrifying.

Can the minister indicate if he is doing a study or a review of these two particular instances where these gentlemen were placed in Penetang, in that ward five I believe, which is usually reserved for people who are criminally insane, dangerously insane, and who have tendencies to violence, whereas these two gentlemen did not? Can the minister say whether he is investigating these two cases and whether he is satisfied that the present rules for incarceration or admittance for mentally disturbed people is satisfactory?

Hon. Mr. Timbrell: First of all, Mr. Speaker, I want to point out for the benefit of the members and the media, that there are two facilities at Penetang: one is Oak Ridges, which is the facility for the criminally insane; the other is the regional centre. What we are talking about is ward five of the regional centre at Penetanguishene which is a secure unit, one that is maintained for patients who are difficult to manage.

One of the two people in question apparently had been on another ward and had proved to be difficult to manage, so was moved to ward five.

At our request the medical director and the administrator, Dr. Stokes and Mr. McKerrow, have reported that based on their review of the files about the patients—which of course I am not at liberty to discuss in much detail—the detention of these two patients as involuntary patients was appropriate at the time. One of the patients after being told that he could have his case reviewed by the local review board in fact did so. The board, comprising a lawyer, a psychiatrist and a layman, reported back or ruled that his detention on an involuntary basis was appropriate based on the information before them.

I can tell the members that even before these concerns were brought to the attention of the ministry, Dr. Stokes and Mr. McKerrow, both of whom are relatively new to Penetanguishene, had begun a complete review of procedures and staffing attitudes and the like on all wards. In the light of the concerns raised in these allegations they have paid particular attention in the first instance to ward five. They put together a team of people drawn from the rest of the hospital to act as a resource group, or whatever, to assist the staff on ward five in improving what is considered to be a less than desirable and less than optimal professional standard.

Mr. T. P. Reid: Supplementary: I understand from the minister's reply that he considers the present admission procedures satisfactory because I gather that was part of the problem, that these people were in there because of some procedure that we now have, that perhaps the import of the program was that they shouldn't have been there in the first place; (a) is the minister satisfied that the procedures for admission are proper; and (b) will he be reporting back to the House, in view of the wide public dissemination of this, what Mr. McKerrow and Dr. Stokes report to the minister?

[3:15]

Hon. Mr. Timbrell: I'd be glad to discuss it further with the honourable member, Mr. Speaker. There might be some aspects that I'm really not at liberty to disclose publicly but that I could perhaps share with him and I know he'd keep them confidential as a member of this House.

I can tell the member that one of the people was sent there by the court and therefore, because the person was on a court referral was put in the secure unit. The second individual had been in ward two and because of acting out and evidence of management problems, was moved to ward five.

Mr. Breaugh: Mr. Speaker, during the course of that radio interview, there were several allegations of abuse of the patients. Setting aside how they got there or whether they should be there, there were several rather serious allegations made of abuse of the patients by staff. Has the minister taken any of that as grounds for further inquiry?

Hon. Mr. Timbrell: Certainly, the material which was sent to us about six weeks ago highlighted those same kinds of allegations and those were, I'm assured, looked into by Mr. McKerrow and Dr. Stokes. They have reported back that they cannot substantiate that. They agree and have already determined that they want to work on the standards and attitudes that prevail, but they could not substantiate any indications of patient abuse.

Mr. Conway: In connection with the general subject area that relates in part I know to this particular instance, can the minister indicate whether or not he has proclaimed all sections of Bill 19; if not, why not; and when will he proceed with the final proclamation?

Hon. Mr. Timbrell: The sections that were unproclaimed, so to speak, a year ago remain

unproclaimed. In the main, we are waiting on the Krever commission. There's one section, as the member knows, dealing with confidentiality and the other to do with the involvement of legal aid. As the member knows, I expressed concerns about the appropriateness of that a year and a half ago, when that was considered by the committee, but essentially the position is unchanged from a year ago.

PILKINGTON GLASS LAYOFFS

Mr. R. F. Johnston: Mr. Speaker, I have a question for the Minister of Industry and Tourism.

On Monday, the minister said it was not his job to take responsibility for the decision of Pilkington Glass Limited to lay off half its employees in Scarborough. Is the minister not aware that Pilkington Glass International spent an estimated $240 million buying out other glass companies this year and that it is now the largest glass manufacturer in the world? Is he aware that this Canadian subsidiary, the sole manufacturer of automobile glass in Canada, had a $2 million profit last year?

Does the minister not now feel that he has some responsibility for the 400 workers permanently laid off and to the industry in Canada to seek all avenues for maintaining its full operations at the Scarborough plant and to ensure that Canadians are not being used as patsys by this British-based multinational?

Hon. Mr. Grossman: The fact that a company is large and profitable doesn't oblige it to carry on operations in any division it finds to be unprofitable and that it feels, in the sense of its overall corporate strategy, does not amount to a profitable or sensible operation. That is, in fact, how companies are able to stay in business, make a profit, and create employment throughout their various different outlets.

If they begin to carry operations which in their opinion are not profitable, then pretty soon one sees a profitable company turned into an unprofitable one. Rather than the closure of one plant, one sees the closure of the entire operation and a heck of a lot more jobs lost. It seems to me that some of those things ought to have been considered when the member and others were dealing with the situation around the Pilkington strike at the time at which decisions were made by the union. Again the company alleges the strike was the determining factor.

Just to put it in perspective, what I did say the other day was that it is not my job to overrule the corporate decision of the company. It is not my job to assess whether the strike was the determining factor or not. Just as the member expects a degree of common sense to be shown by the company, I hope he would put the same standard of care on the union when it takes certain decisions. Ultimately both the company and the union have to live with the consequences of whatever actions either of them take.

Mr. R. F. Johnston: One of the major reasons this company is using for not being able to continue is that it is going to spend $23 million on a full repair of this tank. Yet all it has been proposing is a minor repair of this tank which could be completed by January much more cheaply, with no effect at all on their overall costs.

Why is it the minister will not now investigate this company and find out why it is making these decisions? It is the only company making automobile glass in this country. Four hundred people, some with 20 years' experience, non-unionized workers, are being laid off.

Hon. Mr. Grossman: We have a company here, by your admission and others, that needs to make a major reinvestment to keep that plant profitable. In the face of that acknowledged and needed reinvestment, they faced a strike which cost them $1 million a week. In the face of that enormous cost, obviously when they were deciding whether to put a great amount of money into that plant, that very same plant suffered an unusual and unexpected loss of up to about $16 million. I must tell the member, whether one is a socialist or a capitalist, one doesn't need to be a genius to figure out when the company unexpectedly suffered a $16 million loss in its operation, it was bound to affect its ultimate decision.

I know it is very attractive for the members over there to try and somehow lay blame for the company's decision on this government. I am not going to allow this government to take the blame for the company's decision any more than those members would allow the union to take the blame for the strike which also was a factor in the company's ultimate decision.

We aren't going to take our share; we won't put it on the union. But I will let the public draw its own conclusion and I will bet the now laid-off workers are drawing their own conclusions a lot more objectively than the ones the members opposite are trying to pin on this government.

Mr. Kerrio: A point of privilege, Mr. Speaker. A statement has been made here

this afternoon that there wasn't any other auto-glass manufacturer. I would like to correct the record.

Mr. Speaker: Order.

Mr. Kerrio: May I not correct the record?

Mr. Speaker: No.

Mr. Kerrio: There is one manufacturer in Niagara Falls.

Mr. Speaker: If you had asked to correct the record, I might have listened to you, but you got up on a phoney point of privilege.

Mr. Kerrio: On a point of personal privilege I would like to correct the record. What I would like to say is, Mr. Speaker—

Mr. Speaker: That there is one in Niagara Falls.

Mr. Kerrio: That there is?

Mr. Speaker: Yes.

CHRONIC CARE CHARGES

Mr. Conway: My question to the Minister of Health is a follow-up question to the concern I raised on Tuesday about the way in which the chronic care co-payment is being administered. I think it might be helpful to be more specific than I was on Tuesday.

Where does the Minister of Health see the justice and fairness of the application of his co-payment program in the case of Mrs. Betty Anne Graham of Downsview, Ontario? At age 68, like her spouse, she is a chronic-care patient in the Queen Elizabeth Hospital Toronto; she is paying the full co-payment of Queen Elizabeth Hospital in Toronto; she is paying the full co-payment of $300 plus while receiving less than $8,000 worth of annual income and knows that if she were three or four years younger with two or three times as much income, she and her husband would receive complete exemption.

Where is the fairness and equity in that particular situation? Surely the minister would agree that discrimination must be redressed in the interest of fairness.

Hon. Mr. Timbrell: In addressing this matter, we spent a great deal of time in working on the exemptions to avoid the kind of a system in place in Quebec and in the other provinces where they have a co-payment system where everybody pays the flat rate across the board and if they can't afford it they go on welfare. That is what happens in three other provinces. We were determined that wasn't going to happen.

Taking into account that where there are children involved and young families generally there would have to be some form of exemption built in, but maintaining the basic principle that in those cases where income support is provided by government to maintain the individual in the community and the individual is no longer resident in the community but is instead, as in many cases, a full-time permanent resident of a government-funded facility, then those income funds should be applied against that. That principle has been basic throughout and we have done that.

In looking at the exemptions with respect to families, we purposely erred on the high side as opposed to some recommendations for exemptions at about half the level we finally adopted.

One had to take into account that previously, as the honourable member knows, the concern was expressed that prior to this system being introduced the children were the recipients of those incomes and pension money was building up in trust accounts or simply going to the children for whom it was never intended, rather than being applied to the needs of the individual. That was borne in mind.

Conversely, we feel in the very rare cases we haven't covered in either the exemptions or what is known as a form 7 exemption for extraordinary personal expenses, the families do have a role to play inasmuch they will be the beneficiaries of the estates, home, properties and so forth for the individuals in question.

If there is a problem there, I have found, when it has been raised with me before, once we ensure the individual sits down with the hospital administrator and/or the social worker they find it is possible, using the existing policy, to—

Mr. Speaker: I really think that's a fairly detailed response.

Mr. Conway: It does come to our attention as a very serious discrimination which uncharacteristically, given most government policies—

Mr. Speaker: Does the honourable member have a question?

Mr. Conway: Yes, I do, Mr. Speaker. Would the minister give me and this House his assurance he will undertake an immediate review of this discrimination which is driving people like Mrs. Betty Anne Graham to no other choice but to sell her house under conditions which are very, very unfair and discriminatory when one considers that exemptions allowed for those under 65, the two-person families, are at least $15,000 and here she sits at less than half that and she has none of these exemptions whatsoever?

Hon. Mr. Timbrell: With respect, the honourable member is ignoring the background information I have given him.

As I indicated on Tuesday, and the policy has only been in for six months, we have not found—and I can say we would be the first to know through the hospital administrators' departments—that is the case; quite the contrary. We have found it is possible to keep the families secure.

I can say to the member, as I did on Tuesday, we are keeping it under review. After we have had more experience with it, say three to six months, I intend to review the matter, report back to my cabinet colleagues and see if there is any need to adjust it. At this point there is no indication whatsoever that is happening regularly. In every case I have seen to date we have been able to point out ways the policy can be applied in a fair and equitable fashion to avoid disastrous impact.

Mr. Breaugh: I want to ask the minister as politely as I can, to get off his horse and look at this one case. Now two members have said—and if he gives us time, more members of this House will say—here is at least one instance where his co-payment scheme is clearly wrong, dumb, doesn't work as has been carefully documented. Could he take the blinkers off just long enough to look at this one human being's problem?

[3:30]

Hon. Mr. Timbrell: Mr. Speaker, I have already said—the honourable member has selective hearing—that if the honourable member would give me some of the details I will make sure someone sits down with the individual concerned and I'm confident the matter can be resolved.

Unfortunately, the member has selective hearing and chooses to ignore that sort of thing.

U.S. PROCUREMENT POLICIES

Mr. Di Santo: Mr. Speaker, I have a question of the Minister of Industry and Tourism. In view of the fact that among other things, the buy-American policy requires that passenger rolling stock in the US must have at least 50 per cent US content and final assembly done in the United States in order to have federal aid, thus resulting in the virtual exclusion of Canadian companies from the $50 million US mass transit market, including the Urban Transportation Development Corporation, especially as a result of the present energy crisis, can the minister tell us if he has finally worked out a concrete procurement policy in order to counterbalance the negative effects of the buy-American policy?

Furthermore—

Mr. Speaker: The member is not going to get a response if he broadens his question any more.

Hon. Mr. Grossman: As the member well knows, because we discussed this at some length in my estimates, we have a study on procurement going on with management board which will be reporting in March. As the member also well knows from my estimates, we have discussions, undertaken through our ambassador to the United States and through our own separate routes, with the United States with regard to certain changes and amendments which might be made to that legislation to give us some added access.

RESPONSES TO PETITIONS

Hon. Mr. Wells: On a point of order, Mr. Speaker. In answer to the point raised by the member for Oshawa regarding the tabling of answers to petitions in the required time, as required by standing order 29(i), I have referred to Votes and Proceedings of December 4 and I see there that the answers to those petitions were tabled.

Mr. Speaker: The honourable member has been made aware of that.

Mr. Breaugh: One small clarification. Is it true that in response to the petition by 275,000 people the minister's answer is, "The matters raised in this petition are under review"? Is that the extent of the government's answer?

Hon. Mr. Wells: Mr. Speaker, I think that is a very clear and concise and easily understood answer.

HANDICAPPED PERSONS' RIGHTS

Mr. McGuigan: Mr. Speaker, on a point of personal privilege. On Tuesday last, the Minister of Labour (Mr. Elgie) announced to the House that he was withdrawing Bill 188, An Act to provide for the Rights of Handicapped Persons. In the course of his remarks he sought to blame the opposition parties for the consequence of this decision by implying that disabled persons are being denied protection against discrimination because of what he called the rigid position of the opposition parties.

As human rights critic for the official opposition, I resent and deplore these aspersions of the Minister of Labour. They are untrue

and unfair. For the record, may I repeat the position of the official opposition on this question?

We have said for many months that we favour an amendment to the Ontario Human Rights Code to prohibit discrimination against handicapped persons. When Bill 188 was introduced, my leader said we would support it if the organizations representing handicapped persons found it acceptable. Those organizations made it clear to us and to the minister that they did not find Bill 188 acceptable. For good and valid reasons they want to be covered by the human rights code. We therefore proposed that Bill 188 be withdrawn and the principle reintroduced as an amendment to the human rights code. The New Democratic Party took a similar position.

Such an amendment could be drafted—

Mr. Speaker: Order. The honourable member has every right to stand up in this House and take exception to something that was said on the other side of the House. What the honourable member is doing now is just restating something that is already an official record of the House. He is just restating what somebody else has previously said. He has made his point; perhaps the Minister of Labour may wish to respond on a later occasion.

REPORTS

STANDING SOCIAL DEVELOPMENT COMMITTEE

Mr. Gaunt from the standing social development committee reported the following resolutions:

That supply in the following amount to defray the expenses of the Provincial Secretariat for Resources Development be granted Her Majesty for the fiscal year ending March 31, 1980:

Resources development policy program, $3,696,300.

That supply in the following amount to defray the expenses of the Provincial Secretariat for Social Development be granted Her Majesty for the fiscal year ending March 31, 1980:

Social development policy program, $2,395,400.

MINISTRY OF THE ENVIRONMENT ANNUAL REPORT

Hon. Mrs. Birch, on behalf of Hon. Mr. Parrott, presented the annual report of the Ministry of the Environment for the year 1978-79.

SELECT COMMITTEE ON ONTARIO HYDRO AFFAIRS

Mr. MacDonald from the select committee on Ontario Hydro affairs presented a special report on the need for electrical capacity and moved its adoption.

On motion by Mr. MacDonald, the debate was adjourned.

STANDING ADMINISTRATION OF JUSTICE COMMITTEE

Mr. Philip from the standing administration of justice committee reported the following resolution:

That supply in the following amounts to defray the expenses of the Ministry of the Solicitor General be granted to Her Majesty for the fiscal year ending March 31, 1980:

Ministry administration program, $3,378,900; public safety program, $12,464,000; supervision of police program, $7,233,000; Ontario Provincial Police management and support services program, $26,520,000; operations program, $124,888,000.

STANDING GENERAL GOVERNMENT COMMITTEE

Mr. McCaffrey from the standing general government committee presented the following report and moved its adoption:

Your committee begs to report the following bills without amendment:

Bill Pr18, An Act respecting the City of Sarnia;

Bill Pr28, An Act respecting the City of North Bay;

Bill Pr31, An Act to revive Sarnia Portable Equipment Rentals Limited;

Bill Pr33, An Act respecting the Town of Cobourg.

Your committee begs to report the following bills with certain amendments:

Bill Pr21, An Act respecting the City of Hamilton;

Bill Pr27, An Act respecting the City of Windsor.

Report adopted.

MOTION

COMMITTEE MEETING

Hon. Mr. Wells moved that the standing resources development committee be authorized to meet the evening of Monday, December 17, 1979.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before the orders of the day I wish to table the answers to questions 368, 369, 370 and 387 on the Notice Paper. (See appendix, page 5493.)

MOTION TO SUSPEND NORMAL BUSINESS

Mr. S. Smith moved, pursuant to standing order 34(a), that the ordinary business of the House be set aside to discuss a matter of urgent public interest, namely the impact of the proposed federal budget on the economy of Ontario and on the Ontario consumers of energy, and for the purpose of urging the Premier of Ontario to introduce forthwith a resolution condemning the proposed federal budget.

Mr. Speaker: I want to advise the House I did get the required notice of this motion under standing order 34 and I will hear from the honourable member reasons why he thinks the ordinary business of the House should be set aside at this time.

Mr. S. Smith: Mr. Speaker, tonight the Parliament of Canada will meet and a vote will take place which will determine whether or not the government of this country shall continue in office, or whether an election shall be held. It is absolutely vital that all members of Parliament elected from the province of Ontario, who have to consider which way they are going to vote in that particular meeting this evening—that urgent and essential meeting this evening—know how the people of Ontario and the elected representatives in this House feel, regarding a most iniquitous budget which has been proposed.

Anything that can be done to get that particular budget changed should be done, despite the obvious support it enjoys from the Minister of Industry and Tourism (Mr. Grossman), who seems to be calling out on their behalf. Anything that can be done to show the members of that House how the people of Ontario feel, should be done before it is too late, because that particular vote is vital to the future of this province.

During the four years I have been here, I do not remember any time that Ontario has received a body blow of this magnitude: a drain from the revenues and from the people of Ontario of hundreds of millions of dollars going into the federal treasury, going into the Alberta treasury, and going into the treasury of the oil companies.

I point out to you, Mr. Speaker, that over the next four years the oil companies will receive $33 billion net of all production costs and taxes. There is no justification for that. That money will be taken from the pockets of Ontarians. That money will be taken from people this winter so they will not be able to spend money to buy those products manufactured in Ontario; so they will not be able, in point of fact, to purchase the products which would keep Ontarians employed.

Mr. Speaker, there seems to be a certain degree of disorder in the House. I can appreciate that the Conservative Party in Canada and in Ontario, that particular united party, is in some disorder today. I can appreciate the embarrassement of the people opposite.

They may think—

Mr. Speaker: Order. Every honourable member has a right to speak in this forum and a right to be heard.

Mr. S. Smith: Mr. Speaker, as I look at the smiles on the faces of the members opposite, it may be that for the Ontario Conservatives 11 per cent inflation, eight per cent unemployment—a recession—is something they regard with amusement.

[3:45]

We know the first minister of this province went to a meeting and in front of the television cameras stated his opposition, generally speaking, to the kind of proposals which came forward in this budget. We know Ontario for the first time went to such a meeting and took a posture of begging. We know every single item asked for by Ontario has been refused by the government of Mr. Clark. If that posture didn't work, one wonders what the next posture is going to be taken by the government of Ontario at the next first ministers' conference.

The fact of the matter is the people of this province—

Mr. Speaker: The honourable member's time has expired.

Mr. S. Smith: How much of the time was utilized by my comments and how much by theirs?

I will say one final sentence. I should have known better than to expect a reasonable attitude on the part of Ontario Conservatives. I say to you, Mr. Speaker, this winter will go down as the worst winter for the manufacturing industry in this province. It will go down as a gloomy winter indeed for the middle- and lower-income people in this province. We have a right to have the viewpoint of the Legislature—

Mr. Speaker: Order. The member for Ottawa Centre for up to five minutes.

Mr. Cassidy: Mr. Speaker, I rise to support the call for a debate on a matter of urgent public importance, namely, the impact of the federal budget on Ontario. This is an urgent matter that requires debate because of the fact that decisions being taken in Ottawa right now will affect whether or not this budget is going to be implemented to the disbenefit of the people of Ontario. It's an urgent matter as well because of the extraordinary impact of this budget, which ranks with the former Liberal government's introduction of wage and price controls as the most ill-conceived policy of our generation.

This budget is clearly a continuation of the policy of the previous Liberal government of attempting to control inflation and unemployment by absolutely total reliance on the private sector. It also continues the policies of he previous Liberal government because of the way in which Conservatives and Liberals alike want the multinational oil companies to take billions of dollars from the people of Canada in the hope that will somehow solve our energy problems. It is urgent that we bring that to an end at the earliest possible opportunity.

I trust the government is going to agree with this call for a debate and resolution, in view of the comments of the Premier on Tuesday night. It is worth noting, however, that this budget effectively translates to the federal level the kind of misguided economic policies we have had from the Treasurer (Mr. F. S. Miller), and from his predecessor, the policies of cutbacks for their own sake and a preoccupation with deficits to the expense of all other priorities, whether national or in this province. It indicates a willingness, which this government shares with its federal counterpart, to make people on low and modest incomes the victim of the government's fight for what it calls fiscal rectitude.

This budget must be urgently discussed in this Legislature because of the way it impacts on people in Ontario and Quebec more than any other part of Canada. We will be compelled to pay more than $1 billion a year because of a new excise tax on gasoline. Our transit systems are going to have to pay as well. The overall increase in oil prices will have an extraordinary impact on Ontario families, very quickly increasing the bill on those families from $600 next year to more than $1,000 a year in 1983. Even as the Premier has recognized, our industries' competitive position will be put in jeopardy. There is absolutely no action taken to counter the impact of these increased costs, particularly for small consumers.

The federal budget also fails—and this is urgent for us in Ontario—to take any noticeable action to implement an industrial strategy for the manufacturing firms of Ontario. It repeats what Tories have done in this House. The Tory promises about support for research and development at the federal level have been broken. The Tory promises of a $2-billion tax cut have been broken. The Tory promises of a simulated deficit have been broken. The Tory promises about combating high interest rates have been broken. The Tories were elected on false pretences on May 22, and this government, the "big blue machine," the Premier (Mr. Davis) himself, went out and elected that government on false pretences. It is about time they turned around and took the other stand.

Now we have promises that the unemployment rate will rise from 7.5 per cent to 8.3 per cent. We have promises that we will get double-digit inflation and that is accepted by John Crosbie and even accepted by this particular government. As I said on election night, this is a pay now and a pay later budget. It proves that Tory times are hard times. It proves that Joe Clark is no better than R. B. Bennett was when he became the Prime Minister of the country back in 1930.

I want to make two final points. One is that Joe Clark is perpetuating Liberal economic policies and that is why I am puzzled that the Liberal Party should suggest having this debate rather than having the debate on the environment. The second is that broken promises have come from both the Liberal and the Conservative parties. They are not prepared to be sincere and carry through their promises in running the government.

The third point is that if the Conservative government wants to demonstrate to the people of Ontario that it has really parted company, it has to do more than bathe us with indignation and statements like the one we got today. It has to do more than oppose the federal government at the first ministers' conference. If the Premier wants the public of Ontario to believe these Tories are not the same as those Tories up there, there is only one thing he can do. I challenge the government, if it doesn't like what the federal Tories are doing then run independent Conservatives at the next election.

Hon. F. S. Miller: Mr. Speaker, the other day during question period, the Leader of the Opposition accused me of having con-

tempt for this House because I ran outside and said things different to those I said inside.

I was intrigued during the question period today, when I saw him disappear, to find that he didn't have enough time to sit here and discuss what was an important issue. He was outside talking to the television cameras about his environmental problems. If he has the courage to stand up here and say this is an important thing, he should have sat through the question period today, as I did.

An hon. member: You went out yourself.

Hon. F. S. Miller: I went out because I wanted to make sure he wasn't saying anything.

Mr. Sargent: Mr. Speaker, on a point of order. This minister labels my leader with contempt, when the Premier of this province should be in his seat today, right here and now.

Hon. F. S. Miller: No, I said he labelled me with contempt.

Today's statement clearly put Ontario's objections to parts of the federal budget on the record. That was something we felt we had to do. It in no way stops us from being Conservative. We don't really try to dissociate ourselves. What we do is say we can honestly find things at the federal level that we have to disagree with while, on balance, supporting the party.

Mr. S. Smith: Some balance.

Hon. F. S. Miller: Listen. The honourable member is a married man, I think. I am, and I have often found it necessary to disagree with even my wife's wisdom. I have managed to carry on my marriage in spite of it.

Second, one of the interesting things is that, in spite of this great debate, in spite of the great urgency of the problems, I don't recall seeing very many people here during the hours I have been here for my estimates lately. They are still on; in fact, we had to have a quorum call not long ago. I don't recall the member's being here for one minute, let alone one hour, of my estimate debates.

Today the federal House is properly debating a national issue. It is true the honourable Leader of the Opposition has federal aspirations. There is an opening in his old home riding; it might be one he'd want to go home to. Let us leave the decisions for the federal House to make tonight. It is their job to decide whether this government has the confidence of this country and the federal Parliament. I'm sure tonight it will be very close and I'm sure the measures will be seriously considered.

We, of course, are concerned about the matters but we had problems with other governments and other budgets and we've always used one basic technique, no matter what, and that is we go prepared to Ottawa to discuss, debate and make the changes in the orderly ways governments of all stripes have done in the past. I think we have as much chance or more to make our voice heard as time goes on.

At least I have openly laid it on the line and, I'll say it publicly, not behind closed doors. One of the things the Leader of the Opposition has said is all these things are happening this winter. Again, if he checked my statement he would find the large price increases occur across the end of the summer and late fall next year.

That gives us some time for some of these negotiations. I would argue, Mr. Speaker, in spite of all he has said, we do not think this is a matter of urgency and we urge you to rule in that way.

Mr. Speaker: Order. I have to advise all honourable members, this motion calling for a debate did give some problems. I think it mets one of the criteria. It is of urgent public importance, but one of the reasons the honourable member moved it was the impact of the proposed federal budget on the economy of Ontario. The second reason was the impact on Ontario consumers of energy. I must remind all honourable members that we did have an emergency debate all last Thursday afternoon that dealt very, very comprehensively with the energy situation in Ontario hinting to a large extent on what might be the actions of another jurisdiction.

On the matter of the emergency debate condemning the actions of another jurisdiction, I must remind all honourable members we do have members from this jurisdiction and, indeed, from all jurisdictions in Canada, discussing the impact of that budget in another jurisdiction. So I would have to rule that on the basis that the honourable members' concerns are already being aired and expressed in another jurisdiction, it doesn't fall within the parameters of standing order No. 34. I would have to turn it down on that basis.

Mr. S. Smith: Mr. Speaker, with regret and great respect for you sir, I believe this ruling is not one I can accept and I would ask that it be changed.

Mr. Speaker: The member for Hamilton West has challenged the ruling of the chair, so I would have to put the question.

[4:00]

The House divided on the Speaker's ruling, which was upheld on the following vote:

AYES

Ashe; Auld; Baetz; Belanger; Bennett; Bernier; Birch; Bounsall; Brunelle; Bryden; Cassidy; Charlton; Cureatz; Davis; Di Santo; Drea; Dukszta; Eaton; Germa; Gigantes; Grande; Gregory; Grossman; Havrot; Henderson; Hennessy; Hodgson.

Isaacs; Johnson, J.; Johnston, R. F.; Jones; Kennedy; Kerr; Lane; Laughren; Lawlor; Leluk, Lupusella; MacDonald; Mackenzie; Maeck; McCaffrey; McCague; McClellan; McMurtry; McNeil; Miller, F. S.; Newman, W.; Norton; Parrott; Philip; Pope.

Ramsay; Rollins; Rotenberg; Rowe; Scrivener; Smith, G. E.; Snow; Stephenson; Sterling; Swart; Taylor, G.; Timbrell; Villeneuve; Walker; Warner; Watson; Welch; Wells; Wildman; Williams; Wiseman; Young; Ziemba.

NAYS

Blundy; Bradley; Breithaupt; Campbell; Conway; Cunningham; Eakins; Epp; Gaunt.

Hall; Kerrio; McGuigan; McKessock; Newman, B.; Nixon; O'Neil; Peterson.

Reid, T. P.; Riddell; Roy; Sargent; Smith, S.; Stong; Sweeney; Van Horne

PAIR: Edigoffer and MacBeth.

Ayes 75; nays 25.

Mr. Speaker: The ruling of the chair is sustained. The challenge is lost.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

ONTARIO ENVIRONMENTAL RIGHTS ACT

Mr. S. Smith moved second reading of Bill 185, An Act respecting Environmental Rights in Ontario.

Mr. Speaker: The honourable member has up to 20 minutes and if he wishes to reserve any time for a windup or a response he can notify the table officers.

Mr. S. Smith: I would like to reserve five minutes at the end for a chance to respond to any other comments made in the course of the debate.

The occasion to debate this particular bill is one of very real importance to me and I believe it will go down as a day of some importance in the history of people's attempt to come to grips with the industrial age and to make this planet a liveable situation for generations to follow us.

Whatever policies we may adopt on one issue or another, sometimes with the passage of the decades one looks back and the argument so important at the time seems less important later on. What we do to our environment, the kind of planet we leave for our children and the children who follow them is something that is very real, it's something people will be able to look back on and either thank us for or blame us for, depending on the actions we take.

When I speak to my own children about this I have the feeling there's nothing we do in the Legislature more important in the long run than the decisions we take with regard to the preservation of the natural environment. That is, after all, a trust and a heritage we are supposed to keep for future generations, not to exploit to the point where future generations will be without the benefits we received from those who have gone before.

The bill I have put forward proposes to do the following: To further the rights of Ontario citizens in determining the quality of their own environment; citizens would be allowed to take action to protect the environment without first having to prove that they had been personally damaged or injured. There would be a shift in the burden of proof concerning environmental contamination. Under this bill the defendant would have to show that an activity does not harm or does not have the potential to harm the environment.

Currently, as you know, Mr. Speaker, it is the plaintiff who shoulders this burden of proof and, given the technical information required in many environmental disputes, this burden is an unfair impediment to effective action. Furthermore, under this bill citizens would be given increased access to information so they may participate in a more meaningful way in environmental matters.

In spite of environmental legislation on the books for several decades, it is clear that serious problems have continued to occur. Violations of our laws are far too numerous and have become quite predictable. But let us look around us. We're entering the 1980s faced with energy shortages, a huge provincial debt, a weak Canadian dollar, higher inflation and a continued reliance upon raw resource extraction and exploitation, much of which, if not carefully supervised, could be a disaster for the environment.

Companies and government are going to argue, falsely, I might add, that we will not be able to afford environmental protection if we are to stay competitive. They will argue that environmental controls are hampering production and squeezing profits. They will say industry will relocate. When asked to clean

up they will shrug and say the technology doesn't exist, even if they haven't put much research and development money into trying to find solutions. Or, if the technology does exist, they'll say it's the wrong time to install it if they want to maintain a competitive edge. Those industries that have cleaned up will, in a real sense, be penalized for having done so.

Environmental legislation in Ontario provides the government with the power to act but not the duty to act. When the government fails to act there is no device that permits private citizens to act on their own behalf. The best legislation in the world, unless we can be assured it will always be acted upon, won't save us from future examples of pollution such as those we've seen with Dow Chemical; the mercury contamination in the St. Clair River; Reed Paper in Dryden; arsenic in the Moira River; sulphur dioxide from Inco in Sudbury; excessive emissions from lead smelters, and so on.

It is very important to consider just how many of the aforementioned pollution episodes would not have slid by government completely if government had felt the pressure that comes from knowing citizens could have acted when government was not prepared to do so.

When citizens have a right to act, the government is then put in a position where it might be embarrassed if a citizen takes a polluter to court and shows plainly that polluter has been in violation of the reasonable standards and has not done what it was reasonable to do in the circumstances to clean up. The government would obviously suffer great embarrassment. Consequently, there would be an incentive to people within the ministry to take action before the matter is taken up by a private citizen in front of the court.

In fact, the Canadian Environmental Law Association has pointed out, in a recent letter to a Toronto newspaper: "It is quite clear this bill is meant to supplement, where possible, existing regulatory mechanisms, not displace them. The bill would at long last bring Ontario environmental law into the 20th century. At the very least, it should be subject to legislative standing committee and public review."

Many have phoned in or written in to say they support the bill. Among these are the Conservation Council of Ontario; the Ontario Branch of the Consumers' Association of Canada; the World Wildlife Fund; the Sierra Club; and Pollution Probe, to name a few. There is also the Algonquin Wildlands League; the task force of the major Christian churches; and the Canadian Bar Association—particularly the Ontario branch of that organization.

There are also some who have written in to say it would be better to change the government than to attempt a bill such as this. I can assure you, Mr. Speaker, I am all for changing the government. This doesn't prevent me, however, from trying to introduce legislation that would improve the conditions between elections. The notion that there are no precedents for the kind of legislation I am proposing—that it is somehow very revolutionary or whatever—is actually drawn simply from a lack of familiarity with the events taking place around us.

Under Bill 69 Quebec has granted its citizens, in a qualified form, a type of standing before the courts on environmental matters. In Michigan the very principles I am putting forth in this bill have been accepted and put into practice for the past 10 years. How has the Michigan Environmental Protection Act worked? Let me quote from one of the many reviews of the act, this one from the Journal of Urban Law:

"During the first six years the legislation was invoked 119 times and only 17 instances involved were appealed. Measured over the life of the act, the inescapable conclusion is that the 119 cases filed under this act constitute only a minuscule fraction of the more than 600,000 civil cases initiated in Michigan circuit court over the same period."

I could go on to quote a very lengthy article here indicating that the Michigan experience has indeed been an excellent one. Those who say this is somehow a new departure, giving judges the right to make law, totally fail to understand that in fact we have two kinds of laws. We have laws that are passed by the Legislature and codified; we also have a judge-made law—so-called common law.

When a judge makes a law in the sense of rendering a decision in a common-law case, of course, the standards he sets and the rulings he makes apply strictly to the people involved in that particular case. Each further case that may come before the courts is decided on the merits of each case successively, although judges will naturally look back on earlier cases from the point of view of precedent. It is not the same as saying the judges are writing codified legislation.

In fact, there are some who say that to give standing to ordinary individuals in front of the court would be a terribly revolutionary thing to do. I would point out there are sev-

eral actions which already can be taken in the court. Individuals, for instance, can bring private nuisance claims to seek redress where they have suffered personal damage or injury. The Attorney General may bring a public nuisance case where harm is done to the public as a whole. The problem is that no individual may bring a public nuisance case himself or herself, unless either the Attorney General gives consent or that individual suffered injury of a nature and degree different from that of the general public.

Under the circumstances, the law of standing is clearly too strictly prescribed against the people who wish to bring matters before the court. I am happy to say that in the last decade the courts have actually been chipping away at that particular law.

For example, I show you the case where a person by the name of Thorson was suing the federal government to have the Official Languages Act held unconstitutional. He was granted standing, based on the importance of the issue, even though he couldn't show that he himself would be in some manner dealt with in a way different from the other people in the population. He was not going to suffer more personal damage than his neighbour, for instance. But he was granted standing.

[4:45]

The same thing happened in the case of the Nova Scotia board of censors versus McNeil, reported in 1976. In fact, there again, a person who couldn't show that he himself would be personally damaged was able to be granted standing on the matter of challenging the board of censors in the determination of what films could be seen. The same is true in the Canadian Broadcasting League versus the Canadian Radio-television and Telecommunications Commission, a judgement in 1979.

What I am saying is the ability of people to use the courts to argue general circumstances rather than personal damage is coming little by little, anyhow. The judges are becoming more liberal in their interpretation of the law of standing. What I am saying is nothing revolutionary or radical. What I am saying is that we should put into law in the Legislature this tendency on the part of the courts. People are being given standing. It may well be that in some years people will be given standing on environmental matters with or without the law I am suggesting.

What I am saying is rather than wait for the lengthy and difficult and arduous way in which these things are done little by little over decades, we should take a good principle and establish it in legislation as soon as possible.

There are those who say that judges mustn't make law. I point out that judges and courts frequently set standards in the most complex financial, technical and social issues. Look at obscenity laws, at patent laws, at matters of professional negligence, price fixing and securities fraud. In all of these instances, judges are asked to set standards which have a certain technical quality. In the act we are proposing the courts will have access to the environmental experts on the matter, not only as witnesses but also via the boards that exist under legislation.

It is a novel attempt on our part to in a sense marry the common law and the judges' attempt to set reasonable standards with those boards that are presently under legislation responsible for gathering the information and the setting of standards.

The Ministry of the Environment has said that a person could sue a smoker under this bill. In fact a person could sue a smoker under existing legislation. This bill is clearly not designed for anything of that kind. The truth of the matter is that what we are talking about is public nuisance. Private nuisance can already be sued for by an individual if he so so wishes.

There are those who argue we would be flooding the courts with cases. The experience in Michigan shows that simply is not so. There is a penalty for those who bring an action which is not meritorious and reasonable. Any case that is vexatious or frivolous would be thrown out. A deposit is required. It's an expensive matter to go to the courts. Therefore I would say the courts will not be clogged with nuisance cases. There is no evidence of that whatsoever.

I say simply that some years from now, if the good Lord allows us to live some more decades we are all going to have to look at ourselves and our children and we are going to have to tell them, what we did to make this planet liveable, to stop fouling our own nest as only we human beings seem able to do. No other animal fouls his nest the way we do. We are going to have to tell those children when they are adults and we are elderly what we did.

This bill gives the individual the right to go to court on behalf of a very clear right that he or she should have, the right to a clean environment. He should be able to go and take action so that a company will not be able to hide behind some private conversation they may have had with a ministry official. They will have to show, in the light of day, everything they have been able to

do to in order to clean up and if they took every reasonable action then, of course, that would be accepted.

I say to the minister I am proud to present this bill to the Legislature. I hope it will receive second reading and go to committee. I think that's where it belongs, so others can bring testimony before such a committe. I am grateful to the many groups representing millions of Ontarians who have written in to give me their support for this act. I am grateful to them for their public interest and I hope this House will accept this bill.

Ms. Bryden: Mr. Speaker, I am somewhat surprised that the member for Hamilton West did not consider his environmental bill of rights to be a matter of more urgent public importance than a two-day old budget now being debated in another House by the elected representatives from Ontario in that House and the people who are responsible for what happens to that budget.

At any rate, his attempt to adjourn the House this afternoon has resulted in the debating time of this bill being virtually cut in half.

Mr. S. Smith: That's because of the way you voted.

Mr. Breithaupt: If you could have made up your minds as to how to vote, it wouldn't have taken half as long.

Mr. Deputy Speaker: Order.

Ms. Bryden: We make decisions with due deliberation.

Mr. Speaker, we have not more than 35 or 40 minutes for the entire debate on this bill, of which the Leader of the Opposition gets 20 minutes. I have only a very limited time to discuss this bill.

I will say it does embody a very important principle which is long overdue in our environmental legislation, namely access to the courts by citizens on environmental matters, regardless of whether they themselves have suffered pecuniary loss or direct damage but where their environment has been degraded.

I will support this bill because I have been advocating this principle of standing, as it is called, for all the years I have been environment critic—which is almost three years. My predecessor, Dr. Charles Godfrey, not only advocated this principle but actually obtained from the then Minister of the Environment a commitment to bring in legislation to implement this principle.

I would like to read what the then minister, the member for Burlington South (Mr. Kerr) wrote to Dr. Charles Godfrey in October 1976, "I am recommending the amendment of our environmental legislation to provide wider scope for citizen prosecution and class actions, as I have stated recently in public."

We have still not been able to get that commitment of the Minister of the Environment in 1976 fulfilled by either of his successors. If the members opposite should vote against or block this bill they are repudiating that commitment of the then minister and they will be unable to boast that Ontario leads in environmental legislation.

This kind of legislation, as the member for Hamilton West mentioned, has been in Michigan since 1970. It's in a number of other US jurisdictions. It's recommended by the bar association. It's recommended by many environmental associations.

If the members opposite should block this bill, they are leaving the citizens of Ontario to protect their environment with one hand tied behind their backs. The other hand, unfortunately, is the Ministry of the Environment, which is a very weak hand. We do need the supplement of the opportunity for citizens to take polluters to court and to try to establish their right in that way.

As the member for Hamilton West mentioned, it is not the entire answer to the protection of our environment. It will be hit and miss. It will only work where there are flagrant violations, where the cases appear to be potentially successful, where there are people with the time and the money to go to court and to bring the polluters before the courts. It does not provide for the preventive action necessary when violations are discovered, unless the courts so order preventive action, but the courts may not go into all the ramifications of the prevention that is needed. So it is complementary legislation to a committed Ministry of the Environment; to a Ministry of the Environment with the political will to set strong, tough standards and enforce them.

It is also complementary to the spills bill which we have just passed and which the government is taking some credit for, although I think the committee that worked on it also should take some credit. But, Mr. Speaker, if you're going to have a spills bill to compensate people after the event, when accidents occur through the use of toxic substances, you should also have a bill to protect people before the event, to protect them from dangers that may result in damages to them.

We also need a third kind of legislation. That is an overall compensation bill for the people who suffer from environmental degradation or lose their livelihood because of

environmental effects like the fishermen in the St. Clair River. They lost their livelihoods but under the government's suit against the Dow Chemical Company for $35 million they got $250,000.

While I support this bill I should point out I hope it will go to committee and we will have an opportunity to improve it, because there are a number of shortcomings in it.

First of all, there is no specific provision for class actions. There may be group actions if this bill is in effect but in this province we do need more adequate legislation regarding class actions. My colleague, the member for Lakeshore (Mr. Lawlor), has brought in a bill for the past two years to introduce the principle of class actions into our legislation.

Another glaring weakness in the bill is the lack of any provision for funding of people who will use the courts as a remedy for the degradation of their environment. We need either legal aid extended to this area, or a fund into which all users of hazardous substances would make a contribution that could then be allocated to people who produced a prima facie case against the polluter. Some form of providing a fund is needed so it is not, as I have said many times, a David and Goliath affair in the courts; so people do have an opportunity to use their access to the courts without having to run horrendous risks of very high costs. We know cases can go to appeal to the Supreme Court and the costs can be prohibitive if somebody loses. Therefore, the use of this legislation will be greatly inhibited unless there is some limitation on the risks the litigators have to take.

In this bill there is also a useful requirement of freedom of information. You cannot go to court if you do not have the evidence or all the rulings that were made; how the standards were arrived at; what kind of studies were made in setting the standards and whether you can challenge them. But the exemptions in the bill under the freedom of information clauses are very sweeping, much more sweeping than in the proposed bill before the federal House. I think they should be looked at very carefully because we may end up with very little more freedom of information than we now have.

Also in the bill, it is permitted that a person who is sued has a defence. If he is fulfilling a standard that has been set, he is more or less let off; it is a defence against the charge, regardless of whether the standard is good, bad or indifferent. I think that's a weakness in the bill.

[5:00]

Mr. Speaker, I will support the bill but I hope we will have an opportunity to improve and clean up the very serious defificiencies in it. I think it is perhaps the only way we are going to get the government to look at the necessity of extending access to the courts for all citizens in environmental matters.

Mr. McCaffrey: Mr. Speaker, I think it is a crime—and this is not a criticism of the Leader of the Opposition in that he didn't have total control over this matter—that we didn't have an opportunity to have more people participate in this debate in view of the importance of the topic. I just share that with them; it is not a critical comment in total directed at him.

When I first heard about the Leader of the Opposition's private bill, Mr. Speaker, I was anxious to speak to it. Anxious, because I have deep and personal commitments as an environmentalist myself; anxious because the constituency I represent, Armourdale, is not atypical of a lot of constituencies in the urban and, more specifically, Metro Toronto area, where environmental concerns rank high on the list of daily concerns and outlooks for the future in that community.

It takes nothing away from the title or the principle of this bill to say that the issue has some political sex appeal in the urban centres, a fact which was not lost on the member for Hamilton West when he introduced the topic. I think the topic is important; I think the principle of the bill is important; I don't think the bill, though, is worthy of our support.

When I heard about the topic several weeks ago, I was one whose initial reaction was that this bill should go to a committee. The Minister of the Environment (Mr. Parrott), for whom I have a great deal of respect, knows that. We talked about it at some length, then I read the bill.

It is the whole core of the bill, this borrowed piece of what I consider to be inappropriate US legislation, that makes me feel that it is not salvageable in committee—indeed, that nothing would be accomplished by it, that the bill would not in any way do anything to improve the state of the environment in this jurisdiction. Had I felt otherwise, I would have persisted, I think—and I know I would have been joined by a lot of my other colleagues—that we would have pursued that route.

As an aside, Mr. Speaker, I think it might be appropriate right at the outset to get on the record that the number of people in this province and in this Legislature who

have concerns about the environment is quite high; in my judgement it is a growing number. But the people who sit on this side of this chamber have every bit as much commitment to the environment as any member who sits on the other side of this room, and it is important that be acknowledged.

By the same token, this is not a private member's bill like other private members' bills. Clearly, because it is a bill introduced by the Leader of the Opposition, it has some special importance. One assumes, and I think properly, that he and his colleagues and advisors would have spent some time on finding the appropriate topic to pursue in the important time set aside for his bill and I am mildly disappointed, when I support the concept, to find there was not as much thought as I for one would have hoped would go into the bill.

In the very few minutes I have I want to get a couple of things on the record. I would quote very briefly from a Toronto Star editorial of last week entitled, "Smith's Idea Fatally Flawed." I think most members probably read it; it was dated Thursday, December 6.

"Opposition Leader Stuart Smith's environmental rights bill would violate such basic tenets of our democratic system that the government is fully justified in opposing it.

"In effect, judges would be given legislative powers.

"This clashes with the primary principle of democracy: That laws can only be made by popularly elected legislators and that they are implemented by government ministers who are directly accountable to those legislators."

The same editorial goes on: "Formulating an effective environmental protection policy is not a simple task. The authors of the environmental rights bill assume that the government lacks the will to combat pollution, but that a judge hearing an environmental case will take effective anti-pollution measures. There is, however, no basis for this assumption." I think that is at the guts of the issue—the guts of my criticism and concern about the bill—Mr. Speaker.

If I can I will very briefly get at least one illustration on the record. The Minister of the Environment has an excellent record and if we were going to get in line around here as to who has real concerns about the environment—commitment to environmental protection—I submit the Minister of the Environment himself would be at or very near the front of that line. Even the most cynical opposition member would have to publicly acknowledge that. I know that, privately, this minister's openness and candour and commitment are supported by virtually everyone in this Legislature. If he were any more open, he would be arrested for indecent exposure.

Let's take a look at one fairly contentious issue, the matter of acid rain. The whole question of acid rain, Mr. Speaker, was brought to the forefront by the Minister of the Environment. He referred this topic to the committee where the opposition in the majority could address the issue. Experts were available to get information on the record and all of this was conveyed to the public by extensive media coverage.

I repeat, this government brought the acid rain issue to the forefront and it has committed $2 million to research on this topic alone. The minister has met with representatives from the federal government to get more progress on international abatement and he has had discussion with Inco in preparation for a new and tougher control order.

The daily accountability of the duly elected Minister of the Environment is a principle every single person in this chamber should uphold. You can see him, Mr. Speaker. You can reach him. You can touch him. You can pat him on the back when you think it's appropriate, or you can even give him a little kick when you think that's necessary. But the daily accountability is the central and important part of this system, and we want to protect it.

If the government errs, the government is daily on the line through question period. My goodness, when you look back at the order of questions in question period over this session, the lead question has come from one of the opposition spokesmen to the Minister of the Environment practically every single day. I think that's a good thing.

Mr. Deputy Speaker: The honourable member's time has now expired.

The member for Hamilton West for a wee bit more than four minutes.

Mr. S. Smith: Mr. Speaker, it is clearly regrettable that we have ended up with so little time for the debate of the private members' bills. It was of course our intention to debate what we sincerely considered to be a matter of urgent public importance. We saw no particular reason why the bells should have been so prolonged in the discussion with regard to that particular question of public importance. Unfortunately, the way things have worked out, there is not much time here.

I want to comment on the two speakers who have spoken. I obviously realize that

had they a more reasonable amount of time, as they might have expected originally, they might have made other remarks as well. I can understand it's sometimes difficult to compress a speech into a brief period.

With regard to the member for Beaches-Woodbine, I want to thank her very much for the support she's offered to the principle of the bill and for her willingness to see this bill go to committee. She has made a thoughtful analysis and has come up with a few comments where she feels there are deficiencies in the bill.

One is that it has no specific course for class action. I agree that class action would be valuable, but we feel that the way to go, perhaps, is with a bill like the member for Lakeshore's, or some other bill to provide for class action generally, rather than specifically within this particular bill.

As far as the lack of funding for those who use the courts goes, we feel the legal aid system could be used. Again, we didn't want to put in funding because a private member's bill is not supposed to allocate funds; we had a problem there. If you allocate funds with a private member's bill there can be difficulty. In any event, we certainly agree that funds will have to be there. Legal aid is one possibility.

With regard to the exemptions in the freedom of information, I can assure the honourable member that we are quite prepared to look at that a second time. As to whether a defence should or should not be meeting the standard, we put a lot of thought into that, because I also have some suspicions about it. We decided to go with it, and figured that we could hear arguments on both sides in committee.

As to the member for Armourdale (Mr. McCaffrey), apart from some friendly statements about being in favour of the environment, it was very difficult for me to hear any specific points against the bill. The first thing he said, basically the only thing he said, was quoted from the Star editorial. One, judges would be making laws. I thought I dealt with that in my original statement. I pointed out very plainly that the Star editorial is simply, totally in error. Judges make laws all the time, in the sense of setting standards in the most complex issues. There is nothing new about this. It is simply something new to the person who wrote that editorial.

I have sent a letter to the Star explaining just how wrong they are in that instance. I trust that if it hasn't been printed today it will be printed shortly. I haven't seen today's edition of that worthy newspaper. The Rylands versus Fletcher case is a perfectly good example of a judge making law.

In addition to that, there is the point he quotes from the Star editorial that judges may not take effective action. Of course they may not take effective action, but that is what judges are about, they have to make a judgement. Judges judge, that's what their job is.

I fail totally to understand why the member for Armourdale, who is a very nice chap I am sure, even bothered to make an intervention in today's debate. It is totally beyond me, since he didn't say anything whatever other than to quote one line from a Star editorial, an editorial which as far as I am concerned is simply, utterly wrong.

Our laws certainly already allow judges to give protection to citizens in the form of setting certain standards, and they have done so for years. I am mystified by the apparent inability of the Star editorialist to understand something as basic as that. I will be glad to send the member for Armourdale a copy of the letter, dated December 11, that I sent to the Star.

What it comes to is this: Individual citizens have a right to a clean environment. They should be allowed to insist upon that right in the courts of the land. With such a law in place the ministry would be much more likely to act, knowing individual citizens could take things into their own hands if necessary.

Mr. Deputy Speaker: That completes the time allotted for ballot item 11; it will be dealt with further at 5:50.

EDUCATION AMENDMENT ACT

Mr. Bounsall moved second reading of Bill 187, An Act to Amend the Education Act, 1974.

Mr. Bounsall: Mr. Speaker, the purpose of this bill is to require school boards in Ontario to develop a definite, orderly, rational procedure and policy for determining, in this period of declining enrolments in Ontario, whether or not schools should be closed.

The Minister of Education (Miss Stephenson), in her opening remarks before the committee discussing the Ministry of Education estimates this year, indicated in over three pages of that report that she would be requiring school boards in Ontario to submit their closure policies and procedures for approval by the minister and the ministry. I felt very strongly, however, in looking at the remarks contained in the minister's opening statement, that the requirements and procedures should be legislated. Hence my private member's bill that it should not be simply left, in perhaps as non-detailed a way

as was given in the minister's remarks, to the school boards to come up with their policies and procedures.

[5:15]

I must admit, too, that the main points around which I wrote the bill were flagrantly plagiarized in the minister's basic five points which she mentioned in her estimates. Basically there should be little disagreement in principle between the ministry and myself about the need for this bill. I have added some additional points which I feel to be important but which were not spelled out by the minister in what subsequently became the minister's note to all boards of education in the province indicating that she wished to receive their policies and procedures. Basically the tone of the minister's remarks in the estimates differed from the memorandum which was sent to all chairmen of school boards and directors of education.

The difference in tone between what I would like to see happen and what has happened in the directives sent around by the minister is that the minister, while requiring policies and procedures, seems to be embarked upon a course of encouraging closures. She mentions public input, but she does not provide for orderly public input and the provision of all information to the parents and citizens affected by a particular school closure, which is of particular concern when it is a community school. Her remarks seem to be encouraging closure rather than encouraging a policy of keeping community schools, in particular, open.

We differ, perhaps, in philosophy at this point. I think community schools should be kept open rather than closed and that there should be policies to encourage keeping those schools open.

What concerned me further in the minister's remarks, and what took up a fair amount of discussion in the estimates, was that the minister had surveyed, through the regional offices, the surplus school situation to 1985. I was appalled to find that the best estimate of those regional directors was that there will be 352 elementary schools closed and 37 secondary schools closed by 1985. That is one secondary school every two months between now and September, 1985, and one elementary school per week between now and 1985. I find that number shocking and totally unacceptable. It is a body blow to communities, community schools and the quality of education across Ontario to have that many schools close in our province. We are clearly going in the direction of moving our children into large population schools outside their immediate communities and away from the often intimate settings of community schools not very far from their homes, which they have been used to attending. Certainly those children in the kindergarten to grade three level should be able to have the opportunity to continue attending those schools.

I asked in the estimates, roughly one month ago now, for the criterion used by the regional directors in arriving at that particular number. At the time the ministry said it did not suggest to the regional directors any particular number of students which would make school closures appropriate. At that time I asked that those numbers they had used in their own minds to arrive at the numbers of schools across Ontario that would be closed be given to us, and for the ministry to investigate what criterion they had used in their minds about community acceptance of the closing of a school. That has yet to come forth. That was one day shy of a month ago. Perhaps that survey of the regional directors has not even been taken by the Ministry of Education.

I have in my hand the memorandum to the chairmen of school boards and directors of education about school closure policies. Although it is more detailed than what the minister said in her opening statement at the estimates, in some areas, particularly in the way in which input would be obtained from the affected citizens, it certainly leaves something to be desired. Again, when one looks at the tone of this memorandum and the way it is phrased, one gets the feeling the ministry is, on balance, encouraging the closure of schools rather than encouraging keeping schools open.

Mr. Wildman: Just ask them in the Sault about that.

Mr. Bounsall: When you go a whole month and this ministry somehow cannot determine from the regional directors—and there aren't that many of them—what they had in mind in providing those numbers of 352 elementary schools and 37 secondary schools—

Hon. Miss Stephenson: It is the directors of education.

Mr. Bounsall: It was stated in the minister's opening statement and it was not denied throughout the estimates: "The regional offices and each director of education"; that still isn't a large survey to be taken in over a month's time.

They have already made that best estimate. They must have done that best estimate on some criterion. That criterion, therefore, is very easily gathered.

My private member's bill certainly encourages full discussion with the community, and furthermore it would require that there be a moratorium on boards closing any schools until they have submitted their criteria, and that criteria is approved by the ministry. To me that is a very reasonable step to take.

Further, and rather important, my bill provides a means to allow an appeal process for the people of Ontario after procedures have been followed. In thinking very carefully about the various appeal processes available, I have chosen one which has been greeted with quite some degree of acceptance, certainly by the teachers' federations and various groups across the province which are indeed having problems with their boards in closure of schools.

I have chosen the Ontario Municipal Board as the board to which a school board's decision could be appealed. They would consider all the matters involved, not just whether the procedures as accepted by the ministry for that particular board were followed, and also listen to the arguments presented as to why the school should remain open.

I have indicated in my bill the type of analysis and report on the financial effects which the board should be prepared to present; such as the financial effects as well as the social effects of not closing the school or of altering the school programs and the effect that would have on school programs generally, the proposed combination of uses that could be made of that school building; and finally the financial effects on the taxpayer-householders and upon the board of closing the school.

The effect of closing the schools it is proposed to close in North York would have meant a very small increase to taxpayer-householders. If one takes into account the cost of busing students to somewhat distant schools, one finds this to be the situation that pertains. The cost saving in closing schools is negligible, if indeed it exists at all. There is money saved to the boards only if they are able to dispose of school buildings and dispose of the properties. If they have to retain a property because there is no particular sale for it in that particular area or for other reasons, there is virtually little or no saving to the board of education. Certainly where there is an expense, when one puts it on an average taxpayer-householder basis the cost is negligible to the average taxpayer-household. A calculation was made in North York and it is roughly 50 cents per year per taxpayer-household. If the electors of North York were asked by their board: "Is it worth it to close these schools for that kind of money saving?" I am convinced the answer would be a very definitive no.

In closing my remarks, because I am concerned that other members in the Legislature have a chance to speak on this bill, I would just like to indicate that today I received support for my bill from the Glenorchy residents association, some 20 signatures, and a communication that the Glen Avon Home and School and the Avondale community associations are very much in favour of the principles embodied in this bill, particularly those of citizen participation and that there be an appeal process and a moratorium on all school closings until the procedures and policies have been met.

In looking back at a few clippings over the last month from areas in the province that have had this problem, there are quite a few of them. I will read out the comments by the education writer for the Sudbury Star with reference to the Sudbury Board of Education's decision on whether to close the Copper Cliff High School: "If the Sudbury Board of Education would expend as much effort to maintain Copper Cliff High School's enrolment as it is expending to close it there would be no problem." There has certainly been a problem with having enough time for citizen input in Sault Ste. Marie, in the proposed closing of Sault Ste. Marie Collegiate Institute. And on and on.

We need a very careful procedure for citizen input. The board must be required to provide all the financial information that would cause them even to consider designating a school for closure. We need citizen input throughout after the school has been identified. Again, there must be co-operation from the board in providing all figures they have available, including the average cost per taxpayer-householder resulting from the closing.

Finally, if an affected citizen feels strongly that the board has, after having had all the public input, made an error, he can appeal that board's decision to the Ontario Municipal Board. If it is only one citizen who feels that way that would become fairly evident at the Ontario Municipal Board hearing and it would not need to be a long one. If it involves the majority of citizens of that community affected by that community school that would be a somewhat larger hearing, as it very well deserves to be.

I feel very strongly that school enrolments could get down as low as between 60 and 80 per cent of normal before programs are seriously affected. There is nothing wrong in our educational system today with the

triple grading that might result from that. I wouldn't want to be the teacher in a triple-graded class, but that was the academically accepted and recommended method of teaching prevalent in 1974-75, that is what it was felt should be done pedagogically in our schools at that time.

I have no aversion, in fact I think it would be of benefit, to see that sort of education come into our community schools, even if it meant triple-grading, so that our schools are kept open. Only when a majority of the parents of the children decide, for program reasons alone, that that school should close and there are other alternatives in the area acceptable to them should that school be closed.

The boards of educations that have closed schools have noticed there has been a falloff in attendance by children from those schools that are closed. This bill also requires the board to survey the parents of a school expected to be closed with respect to their future intention, for example where they would send their children should that school close. That would be rather interesting and relevant information. It would be information which has heretofore not been gathered across the province in determining what schools should be closed and where the children who had been attending those schools were likely to turn up.

[5:30]

We want to get away from the tendency of moving our children to large-population schools out of their community area. We want to keep them in the small schools in their community area, which in many cases is indeed a community school and a community facility.

Mr. Deputy Speaker: The honourable member has two minutes remaining. Do you wish to reserve the two minutes?

Mr. Bounsall: No, Mr. Speaker. If that gives more opportunity for other persons to speak I would prefer that.

Mr. Eaton: Mr. Speaker, in speaking to this bill, it's interesting to look at the bill and what has probably brought about its development. It's interesting to look back and see a memorandum that came from the Minister of Education. Reading through the wording of that memorandum, I find it almost word for word with the language of the bill the member has proposed.

It's interesting to go back just a little further on that and find that it came from a statement by the minister in the House on November 13, maybe even further back than that.

I know that in discussion with my colleague the member for Armourdale (Mr. McCaffrey), many of the items in the memorandum were items he proposed because of discussion in his riding regarding schools. Certainly he had great concern and wanted to speak on this bill; however, the way the time schedule has worked out today he wasn't able to do so as he had another commitment.

I do point out though, that he gives considerable support to the principles involved in the memorandum. I say the memorandum because it went out to the boards as an item of discussion.

I might just quote a paragraph from that memorandum. "This memorandum is to advise boards and their officials that it is the intention of the minister to require that all school boards in Ontario establish policies and procedures appropriate to its own set of circumstances with respect to the closing of schools within a general policy to be established by the ministry." I emphasize "to its own set of circumstances," because to cover the whole province is something very difficult to do in one bill.

I think that's very important. It is setting some guidelines but not imposing on the local board something which they find very difficult to deal with in their particular situation.

It would seem from our discussion and debate here this is something entirely new that has come upon us in the last year. I would tell members I served on a school board 15 years ago and we went through the closing of several schools in our community. Perhaps we were much closer to the situation than some of the larger school boards now facing this development. We had a lot of discussion. We followed a lot of the criteria in that memorandum and were able to work out our problems locally, dealing with our own local voters who elected us as members of that particular school board and to whom we were answerable. I think that is something that is very important.

All of us have become more aware, of course, of the complex arguments that can be brought to bear on the boards of education. They have been thrust into positions fraught with problems that challenge their very existence. My honourable colleague has been very closely involved with such a situation in his riding. I think that's why he was so concerned and put forth some of the suggestions in this memorandum.

I think everyone has been given a fair hearing. School closures are a no-win propo-

sition, no one is ever going to be particularly satisfied with the decisions that are made; but someone has to make those decisions, someone has to make them and that's what the people elect their local board members to do. In my riding of Middlesex many students are bused to and from school. It might not always be possible to have another school within reasonable walking distance, as is stated here. There is no definition, either, of what reasonable is. If a high school is being closed, older students can travel a lot farther than can public school children. It would be ideal if we could maintain our community schools at any cost, but conditions do change and the school system must respond to those changes; and that response must be at the local level by the locally-elected boards.

School boards have little control over the direction or growth of a neighbourhood, especially in settled areas. Some parts of a city may experience a revival of a particular neighbourhood, but nowadays this is no guarantee there is going to be a new group of children in that particular community. I think we've all seen communities where people have established, their children have grown up and they now own their homes; they're going to stay there for quite some time but the school population is not going to be quite the same for many years to come.

It's not always possible for a board to prepare a detailed plan for the alternative use of school buildings. There may not be any short or long-term options for using the school resources in a constructive way. Some parts of a school, such as playing fields, tennis courts or a swimming pool of course can be put to good use in the community. To convert buildings into, say senior citizen centres, may be fine in theory but very costly to implement. Many schools in urban areas are situated on very valuable pieces of land. It may be quite sensible to sell the site to a developer or retailer. In some cases the building itself might impede the development of a property it sits on and the funds from the sale could be put to much better use in the present school system.

I think back to some of the schools we had to close in our particular situation. Two of them are being used for community centres; one was developed into a small apartment building; another one is being used as a small manufacturing building in the community; and another one is now our local Canadian Legion headquarters. So they all became of good use to the community. I think it is important that those things can happen so we don't sit there with a white elephant.

Another thing; if a school stays open and has pretty much of a borderline enrolment the school board is going to be watching the attendance figures closely. To say a school should not be identified as a candidate for closure before five years unless the parents request it is particularly unworkable for the boards.

How many parents are going to write to the board saying, "Please close the local school"? It doesn't matter how few students you have you're probably not going to get that 50 per cent the member is talking about. Parents are hardly going to do it while their children are attending that school anyway.

What about program choices? If the school population is getting lower and lower is a board supposed to freeze the number of teachers or transfer them to other areas where they may be needed more? I think that makes much more sense.

What costs would be involved if the teachers and pupils stayed in a half empty building? Surely this type of situation does not have to deteriorate to the point where the parents have to tell the board to shut the school. It is not beneficial for the children, their parents or the board. Surely some kind of agreement can be reached before this stage is reached. I think, in many cases, this is what has happened; it's been practical.

It is no easy decision to close a school; all parties have a certain reluctance to make such a move. Most schools have a tradition of academic and sporting abilities; and we all tend to remember our school days and our old school as a pleasant one we want to see retained. To close a school means the end of an important component to a lot of people.

While I do not dispute the usefulness of studies and hearings to determine all the factors that affect school closures, this bill drags out the process still further by involving the Ontario Municipal Board. This really does get ridiculous. If any school is to be closed, "the decision for closure may be appealed to the Ontario Municipal Board." How the devil are decisions supposed to be made when either the parents or the boards are supposed to appeal each others' arguments to a body that has absolutely no educational concerns or authority? I think the OMB has better things to do with its time than listen to a rehash of all the board and parents' proposals that were put forth. Who, pray tell, pays for this; the parents, the board or the taxpayers at large?

It may very well be, Mr. Speaker, that both sides of the presentation in a decision-

making process have valid concerns; however, the boards of education have the ultimate responsibility for making such decisions. Their trustees are elected officials and they must answer to the local electorate, as we all do.

No decisions about the school closures are being made in an arbitrary fashion. This is a painful learning experience for everyone. Most of the larger school boards have worked out some sort of procedure for a meeting with parents to discuss the impact of school closures. Any interested parent has the opportunity to make his or her views known to the local board at any meeting.

The Ministry of Education is sensitive to these problems. This bill, if adopted, would impose unnecessary costs on the parents and the boards. Although I am not against boards having policies on school closures, I think many already do have a policy set up. I feel this amendment would add more fuel to a potentially delicate situation. We would be imposing on them, from the provincial level, a set of guidelines or rules they might not be able to live with.

The boards should continue to exercise their own judgement and their own discretion. I call upon the members to defeat this bill.

Mr. Sweeney: Mr. Speaker, I want to support the basic principle of this bill. I will point out there is one section of it, however, with which I have some difficulty. I hope that if the bill gets to committee we will be able to make some amendments in that one section.

The basic thrust of this legislation, as I see it, is twofold. The thrust, first of all, is tto recognize there is a serious problem in the province right now in particular with respect to the closing of small community schools. Secondly, there is a problem with the parents whose children go to those schools having sufficient input into the decision.

I noted with interest that in the Minister of Education's opening statement when she presented her estimates to us, she said, "with respect to the local guidelines." She also said, "However, since the policies of individual boards will be affected by provincial policies, and since the phenomenon of declining enrolment is province-wide and of an extent that requires provincial response, the need for provincial guidelines relating to school closure, in addition to and complementary to those prepared and applied locally, is recognized."

I point that out only to show the need for provincial involvement. At the same time, I want it to be very clear that I recognize the final responsibility of the local board to make the decision. I believe there needs to be a review mechanism, but I think it is important for us to recognize that once we have very clear guidelines, and once there is evidence that the board has followed those guidelines, the final decision must be the board's.

Where we need a review or an appeal mechanism is in those situations when any number of parents are able to demonstrate that one or the other set of the guidelines and the procedures, whether we are talking about the minister's guidelines and procedures or the guidelines and procedures as outlined in this bill, has not been properly followed.

It is interesting to note, Mr. Speaker, that when a school board wants to open a school they very clearly must get the approval of the ministry. The ministry sets out to determine first whether or not there is a need, and second, the minister has to determine what the financial impact will be, whether it be on the local board or on the ministry itself. Therefore it seems reasonable that if the ministry is going to be involved in the process of opening a school it must also be involved in the process of closing it.

One of the things this kind of legislation requires is a clear understanding of the impact of closing of schools. We have discussed this with the minister previously but it needs to be repeated. We need to have some research to be sure we understand clearly what effect closing a school down has upon the quality of education given to those students and what effect leaving a school open with a smaller number of students has upon the quality of education. There is all kinds of speculation as to what it does, but we do not yet have any clear evidence.

Second, we need to find out exactly what the financial impact is when we close a school. There seems to be, not in the province of Ontario but in other jurisdictions, considerable evidence that there is very little dollar saving, that the offsetting costs, the fact you have to prepare another school to receive these students, the fact you have to make renovations and the fact you have to provide more busing result in the board saving very little, if any money.

This minister, on a number of occasions in her opening statement, indicated the importance of family relationships, school relationships, and parent and teacher relationships. We do not have any evidence yet what kind of conflict arises between parents and teachers, between home and school, when the local school is closed. These are very important issues.

We also have to understand the social impact on young children when their local community school is closed. We know that young children today are having a great deal of difficulty coping with family stress, coping with community stress and coping with social and economic stress. We therefore have to ask ourselves, "Do we need to put more stress on these young children?"

This bill doesn't answer those questions, Mr. Speaker, but it clearly points out that we are going to have to understand this kind of an impact if we are going to have procedures and guidelines.

In closing I want to say that we need a review mechanism, but I do not think the OMB is the appropriate one. I think an appeal has to be made to some body set up by the ministry, so that when it's finally decided that things are not going right that appeal body has to make a judgement.

ONTARIO ENVIRONMENTAL RIGHTS ACT

The following members having objected by rising, a vote was not taken on the motion for second reading of Bill 185.

Auld; Baetz; Belanger; Brunelle; Drea; Eaton; Gregory; Havrot; Henderson; Hennessy; Hodgson; Johnson, J.; Kennedy; Lane; MacBeth; Maeck; McCaffrey; McCague; Newman, W.; Norton.

Parrott; Rollins; Rotenberg; Rowe; Stephenson; Sterling; Taylor, G.; Villeneuve; Watson; Wells; Williams; Wiseman—32.

EDUCATION AMENDMENT ACT

The following members having objected by rising, a vote was not taken on the motion for second reading of Bill 187.

Auld; Baetz; Belanger; Brunelle; Cureatz; Drea; Eaton; Gregory; Grossman; Havrot; Henderson; Hennessy; Hodgson.

Johnson, J.; Kennedy; Lane; MacBeth; Maeck; McCaffrey; McCague; Newman, W.; Norton.

Parrott; Rollins; Rotenberg; Rowe; Stephenson; Sterling; Taylor, G. E.; Villeneuve; Watson; Wells; Williams; Wiseman—34.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, pursuant to standing order 13, I wish to indicate to the House the business for tomorrow, and with the consent of the House only for next Monday and Tuesday. Then next Tuesday I will indicate the further order of business for the House from Tuesday on.

Tomorrow the House will be in committee of supply to continue the consideration of the estimates of the Treasurer.

On Monday, December 17, afternoon and evening, the House will consider legislation, continuing the consideration of Bill 173 in committee stage, followed by Bill 174, second reading and committee stage if required; Bill Pr5 in committee stage; and Bill 154, second reading and committee stage if required. We will then go to the following concurrences, as time permits: Community and Social Services, Education, Colleges and Universities, Culture and Recreation, Attorney General, Solicitor General, Health, Industry and Tourism, and Agriculture and Food.

On Tuesday, December 18, we will consider legislation in the afternoon and the evening in the following order: Bill 204, second reading and committee if required; Bill 202 and Bill 203, second reading; Bill 127, second reading; and following that budget debate if time permits.

As I indicated, I will indicate to the House the order to be followed after next Tuesday. At this time it is considered that the House may meet Wednesday morning and Wednesday afternoon, and Thursday morning, in addition to its regular sittings.

The House recessed at 6 p.m.

APPENDIX

(See page 5477)

ANSWERS TO QUESTIONS ON NOTICE PAPER

INDUSTRIAL WASTE WAYBILLS

368. Mr. S. Smith: Will the Ministry of the Environment table industrial waste waybills for the following companies: Tricil Limited, 551 Avonhead Road, Mississauga, Ontario, for wastes received during 1977 from any branch or division of Occidental Petroleum; Johnson, Matthey Limited, 130 Glidden Road, Brampton, Ontario, for wastes received during 1977 from any branch or division of PPG Industries; Lido Industrial Products, (Plastics Division), 40 Queen Elizabeth Blvd., for wastes received during 1977 from any branch or division of the Borden Chemical Corporation? (Tabled November 29, 1979.)

Hon. Mr. Parrott: Ontario Regulation 926/76, "Transfers of Liquid Industrial Waste" came into effect April 1, 1977. At that time, compilation of data was performed manually, and it was not attempted to match the forms submitted separately by the generator and receiver of the waste. Data of types and quantities of wastes produced and received were recorded.

An automated system was not implemented until late in 1978. The average number of forms being received during 1977 was about 3,000 per month or 36,000 forms over a one-year period. The regulation requires all parties to retain their forms for a period of one year. Ministry records beyond two years may not be complete. Manual cross-referencing between the old type forms is a very time-consuming task.

Inquiries involving more recent data can be and have been handled much more expeditiously.

Assuming that the old records are complete, it is estimated that an additional three weeks will be required to complete the manual task of matching the forms and provide the information requested.

COMMUNITY COLLEGE FACULTY NEGOTIATIONS

369. Mr. Van Horne: Would the Minister of Education please inform the House of any contingency plan she or her ministry officials may have to assure community college students that they won't lose their academic year or program in the event that the council of regents force a strike of the faculties of our community colleges? (Tabled November 29, 1979.)

Hon. Miss Stephenson: The council of regents is bargaining in good faith and will do all it can to avoid a strike rather than "force" one.

In the event that a strike cannot be avoided, the length of time that the academic staff is away from duty will determine each college's ability to complete the instructional program in this academic year.

In so far as the program offerings of each college and campus are unique, any contingency plans must be determined locally.

370. Mr. Van Horne: Would the Minister of Education please inform the House by what authority she is able to instruct the council of regents not to agree to binding arbitration with the faculties of the Colleges of Applied Arts and Technology? (Tabled November 29, 1979.)

Hon. Miss Stephenson: I did not instruct the council of regents not to agree to binding arbitration to resolve the issues in dispute between OPSEU and the council of regents; furthermore, it is not my intention to give any instruction, at this time, to the council.

The council of regents, pursuant to section 2(3) of the Colleges Collective Bargaining Act has the exclusive authority to bargain on behalf of the community colleges in Ontario.

EAST OF BAY PROJECT

387. Mr. R. F. Johnston: Would the Ministry of Government Services please provide any and all current proposals the government may have for the east of Bay sites usage; any and all preliminary drawings that might be prepared; any and all estimates of square footage requirements the government projects it might require for expansion; any requests by the ministry for additional space on the location or in the vicinity of Queen's Park; any rationale for precluding housing on the site; and any planning documents indicating that the property would be suitable for a bus terminal? (Tabled December 4, 1979.)

Hon. Mr. Wiseman: This question was answered during debates in the House on November 29 and 30, 1979.

To briefly reiterate, we have had some preliminary discussions with bus companies, at their request, concerning a possible site for a new bus terminal and with the YMCA, at their request, concerning a possible site for a new YMCA building. No decision has been made with respect to either of these

two possible sites. If a decision were to be made to sell any of the east of Bay property for these purposes, the sale would be at market value and the purchasers would be responsible to negotiate or meet any restrictions placed on the property by the city of Toronto. In the late 1960's the provincial government assembled this east of Bay property to meet the long-term needs of the province. The province currently leases about two million square feet of office space in the downtown area which underlines the need to consider the future requirements of this property for government uses.

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No. 137

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Third Session, 31st Parliament
Thursday, December 13, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

Mr. Speaker: Mr. Williams moves that order of the day No. 24 be discharged as the recommendations contained in the first report of the standing statutory instruments committee, dated June 1979, have been incorporated in the second report of the committee set out in order of the day No. 26.

Motion agreed to.

STANDING STATUTORY INSTRUMENTS COMMITTEE

(concluded)

Resumption of the adjourned debate on the motion for adoption of the second report of the standing statutory instruments committee, dated November 1979, being sessional paper No. 229.

Mr. Williams: Mr. Speaker, I'm pleased to rise to lead the discussion with regard to the report before the assembly this evening. In commencing my remarks, I would like appropriately to cite the provisions of section 12 of the Regulations Act, RSO 1970, which states:

"(1) At the commencement of each session of the Legislature a standing committee of the assembly shall be appointed, to be known as the standing committee on regulations, with authority to sit during the session.

"(2) Every regulation stands permanently referred to the standing committee on regulations for the purposes of subsection 3.

"(3) The standing committee on regulations shall examine the regulations with particular reference to the scope and method of the exercise of delegated legislative power but without reference to the merits of the policy or objectives to be effected by the regulations or enabling statutes and shall deal with such other matters as are referred to it from time to time by the assembly.

"(4) The standing committee on regulations may examine any member of the executive council or any public servant designated by any such member respecting any regulation made under any act that is under its administration.

"(5) The standing committee on regulations shall, from time to time, report to the assembly its observations, opinions and recommendations."

That is how the section reads. I think it sets the tone for the discussion this evening as it clearly sets out the function and purpose of the regulations committee, which has since been renamed the statutory instruments committee.

I would point out that those basic terms of reference hold valid even to this day. They were broadened in March 1978 by order of the House. The powers of the committee were expanded twofold. First, the role of the committee with particular reference to the recommendations of the select committee on the fourth and fifth reports of the Ontario Commission on the Legislature were to be reviewed and considered, as well as the practices of the parliaments of Canada and the United Kingdom.

Further, the committee was charged with the responsibility of establishing guidelines to be observed in the delegation by statutes of power to make statutory instruments and the use made of such delegated power. Needless to say, the committee was equally charged with the responsibility to report its recommendations to the House.

I suggest this evening that it could be well demonstrated that through the past two-year period the statutory instruments committee and its successors in the presently constituted committee have fufilled that mandate. In making my point, I would point out that the first substantive report of the committee, which was introduced in June 1978, has spelled out very clearly the role of the committee which I have highlighted here in my opening remarks. It clearly identified the various types of regulations. It set out and recommended certain guidelines for the making of regulations. It cited the authorization for making regulations. It covered definitions and penalties dealt with under regulations and indeed touched on the matter of exemptions from the Regulations Act itself.

The report also dealt with retroactive regulations and lastly, but of equal importance, dealt with a review of all of the then existing 1977 regulations.

The committee at its outset was given authority to retain counsel to assist the committee in vetting all of the current regulations to ensure that the regulatory process was being followed within a framework spelled out in the Regulations Act and which we, as a committee, have more clearly defined by new, more precise guidelines which I will refer to in a few moments.

Consequently, it is clear the first report of the committee in 1978 did deal with the first part of its extended mandate, namely, to consider the fourth and fifth reports of the Ontario commission on the Legislature and to establish guidelines that would be observed in the delegation of statutory powers.

In December of that year the second report of the committee came forward to fulfill the second part of its vastly extended rules of responsibility, namely to consider the practices in other jurisdictions with regard to the processing and enactment of secondary legislation as encompassed primarily in regulations that complement the laws enacted in the various jurisdictions. In fulfilling that responsibility we did, as that report points out, deal with and consider the regulatory process in our neighbouring province of Manitoba. As well, we visited our federal capital to determine how the regulatory process is dealt with at the federal level.

I point out to you that in the spring of 1979, the committee in carrying on with its mandate dealt with specific statutes and devoted a great deal of time to the vetting of the 1978 regulations to satisfy ourselves that regulations coming in under statutes from the various ministries were being drafted and brought in and given the force of law in a manner consistent with the guidelines we had established in our initial report of June, 1978.

The report we have before us this evening is a culmination of the efforts of the committee in its two years of ongoing work and effort. As you will see from perusing the report, Mr. Speaker, it is essentially a summation of the findings and recommendations of the previous three reports. In touching on those recommendations and conclusions, I would like simply to highlight our findings as set out in this fourth report of the committee.

I know all the members of the Legislature have read the report on one or two occasions, if not more, and are well versed in its content. Nevertheless, I think it is incumbent upon us to refer to specific portions of the report to refresh the memory of those who may have read the report a month or two ago.

The report is broken into two basic components. One deals with our ongoing work in the vetting of regulations. As you know and appreciate, Mr. Speaker, one of the main functions and purposes of the committee is to monitor at all times the regulatory process to ensure that we maintain a high standard of performance in that area. As reflected in this report, I am pleased to advise that up to the third quarter of this year the committee, with the able assistance of its legal counsel Mr. Lachlan MacTavish, QC, has completed the vetting of the 1979 regulations to that point. So from the beginning of our efforts in 1978 to the present time, this report indicates that we have now made ourselves current as far as vetting of regulations is concerned. I am sure that with an ongoing effort by the committee we will continue to keep on top of all new regulations coming forward, to satisfy ourselves that they are adhering to the guidelines on the formulation of regulations and that we will be able to continue to report so in our ongoing work.

I will keep the reference to statistics to a minimum, but I think it is interesting to note one or two of these statistics in this report. I refer to chapter two of the report dealing with the 1979 regulations on which I have been commenting.

It is interesting to point out that a total of 660 regulations have been filed in the first three quarters of this year. They are found in 131 different acts of this Legislature.

Of equal importance is to note that of the 131 statutes to which there are related regulations or secondary legislation, nine of those statutes represent over half of the regulations enacted in this current year. In other words, 329 regulations have been the subject matter of expansion of administrative procedure under only nine of those 131 acts.

The fact we do indeed maintain a high quality of performance in this area is reflected in the further statistical revelation in our report which points out that in the vetting of all 660 of these 1979 regulations the committee had found only 15 upon which it could make any constructive criticism whatsoever. So it is without question that our various ministries and the legal counsel within them charged with the responsibility of preparing regulations, are indeed performing at a high level. Of those 15 particular regulations we cited, eight of them had to do with regulations we felt had been made without clear authority. The other seven were related to the matter of regulations being made retroactive without authority.

The other major ingredient of the report and the one I think will stand the test of time once this report has been adopted is the setting out of a clear and precise set of guidelines. Those guidelines are set out in chapter four of the report. The manner in which they were arrived at is identified in chapter three. The committee has gone far afield considering guidelines established in other jurisdictions and only after a thorough investigation of those other areas did we find that perhaps the best and most succinct of guidelines had been developed right in our own back yard.

[8:15]

I refer specifically to the findings of the Honourable then Chief Justice McRuer, who was acting in his capacity as chairman of the royal commission inquiring into civil rights in 1968. At that time he dealt with the matter of subordinate legislation by the Legislature. It was a significant and important chapter in the substantial and substantive report of his royal commission.

In its first report of June 1978 and again in this summarizing report this evening, this committee recommends to this Legislature that we can do no better than endorse in toto the recommendations that had been set out by Chief Justice McRuer as the appropriate guidelines to follow in dealing with regulations. Those recommendations are set out precisely in chapter four. Following the basic set of guidelines, the members will find an additional 18 recommendations that again are a summary of the earlier recommendations set out in the earlier reports to which I have referred.

These recommendations speak for themselves. There may be specific ones to which other members will wish to address themselves this evening. I can only commend all of them to this Legislature and in so doing I would say we will be well served if the Legislature sees fit to accept the motion to adopt this report that is before us. It will then bring the regulatory process to a new plateau by the establishment of these guidelines and give the official stamp of approval of this Legislature to a set of guidelines we think will serve the Legislature and this committee well in their ongoing work and effort.

There are just two further points I would like to make at this time before yielding to other members so they may address themselves to this report. The further evidence that, by and large, the regulatory process in this province has maintained a high standard is found in the very fact there is virtually no recorded case law in this province that deals with regulation and having to interpret regulations that have in some way been defective or deficient. I can find only two recorded cases on the subject, which would indicate the process has worked well. We have so stated this in more than one of our reports. We have commended the people involved in this process and we are only trying to make a good system work even better.

Before concluding my remarks I would refer to those two cases as an example and point out that up until this year there was really only one case of significance that had been reported. That was the case of Rose versus the Queen in 1960, in the Ontario Reports, 1960, page 146. In that instance there was a matter that had to deal specifically with the regulatory process. It was a situation where the province of Ontario had purported to revest the title to an abandoned portion of the King's highway to a local municipality. They did it by way of order in council.

It turned out an individual sustained injury on that portion of the highway and saw cause to bring a lawsuit against the crown. The crown denied responsibility, saying they had enacted an order in council which vested the abandoned roadway in the local municipality. The court found the order in council was in effect a statutory conveyance and as such beyond the powers of regulation. It was clearly legislative in character and therefore a matter that should have been dealt with by legal conveyance, in adherence with statute law and not with the secondary administrative legislation we find in regulation.

Until this year I know of no other case of any significance that has dealt with regulations until the reported case this year regarding the town of Durham et al versus the Attorney General, reported in the 23 Ontario Reports, second edition, page 279. I'm sure this case will be of particular interest to my colleague who represents that area and who will speak in this debate this evening.

Very simply put, that case pointed out that the regulation used by the government to merge two registry offices was found to be intra vires and the power was vested in the Lieutenant Governor in Council through orders in council to order that a registry office be closed and merge with another registry office within the same jurisdiction.

The municipalities involved challenged the order and questioned the validity and power to do so by regulation. The very wording of the Registry Act and its regulations were so

prepared that they were shown to clearly demonstrate that the authority was there through the regulatory process.

Ironically, after the crown had proved its case from a legal point of view, I believe the merger from an administrative point of view did not follow through and actually occur. Nevertheless, the case does point out the importance of ensuring that regulations and the regulatory process are carried out within the specific set of guidelines. In this way we know those responsible for these areas will not get themselves into difficulty.

The adoption of this report this evening by the Legislature of the province will give its recommendations, as I indicated earlier, an official stamp of approval and give the committee cause to continue in its ongoing efforts.

I might point out in closing that these efforts will be greatly assisted in the future, as they have been throughout 1978 and 1979, by the sage advice and guidance provided by our legal counsel, Mr. Lachlan MacTavish, who has been ably assisted throughout by our clerk, Mr. Smirle Forsyth.

As I pointed out, the vetting of the regulations in the first instance by Mr. MacTavish, has contributed greatly to the effective monitoring of the regulations by the committee as a whole. We feel that with the adoption of this report the committee has established a firm base from which to build and with the support and endorsement of these efforts by this Legislature this evening we will continue to carry out the monitoring process that will serve us all well in the future.

Mr. McKessock: I rise to speak on and support the motion for adoption of the standing statutory instruments committee's first and second report of June and November 1979.

I must say I'm glad to see you're here tonight, Mr. Speaker, because as I look around the Legislature I am sure you and I were the only ones listening.

Mr. Ruston: You tell them.

Mr. McKessock: When I look up, I'm sure the boy scouts in the gallery don't find this very interesting. But I feel the member for Oriole, as chairman of this committee, has done a good job in his remarks. I'm not going to add very much to them.

I might say this is a bit of a boring committee to be on, Mr. Speaker, because of the nature of the business it involves.

Mr. Williams: Mr. Speaker, I don't know whether I should rise on a point of privilege or not.

Mr. Speaker: You just did.

Mr. McKessock: The reason it is such is because as our capable legal counsel, Mr. Lachlan MacTavish, would put it, we are watchdogs for the kind of regulations set up under the act. The government committee that sets up the regulations for different acts must do so in a way that the act directs. They cannot divert from the authority or intent of the act. If they do it is our job, with the help of our counsel, to bring it to the attention of the ministry involved and then to the House.

Although it is sometimes boring, I have learned a lot about government and legislation by sitting on this committee. It is our job to suggest any changes or improvements that could be made to improve the process of regulation. In this regard, we met with the federal statutory instruments committee in Ottawa last year to compare their process with ours. It is possible other Commonwealth procedures may be looked at in the future.

I think it is important the public be aware of the statutory instruments committee. If they find a regulation they feel doesn't reflect the intent of the act they could bring it before this committee and have it looked at and changed if the purpose of the legislation has been abused in the regulations. This could be done by the committee without the individuals having to take it to court and spend their own money to have it corrected. The member for Oriole mentioned the Durham registry office and as this was in my riding I know the great extent to which one has to go to take anything to court these days. If an individual finds something wrong with the regulations there is no reason why we can't bring it before the statutory instruments committee and have it corrected through the committee without costing them any money.

As I said before, this committee is a watchdog for those making regulations. Having someone watching, needless to say, makes those people making regulations more responsible. If mistakes are found by the regulations committee they would have to be corrected and would show up in our report and brought before the Legislature.

When we started into this committee some time ago it was of interest to me too because we also looked into some of those regulations under the Niagara Escarpment Act.

I feel it is important this first and second report of the statutory instruments committee be adopted.

[8:30]

Mr. M. N. Davison: In my remarks I will try to fall, in terms of time, some time between the previous speaker and the one before him.

I want to take this opportunity to congratulate the member for Oriole on the job he has done as chairman of the statutory instruments committee. Given the membership, at least from my party on that committee, he has done a remarkable job to get these reports before the assembly in time.

Mr. Speaker, I can't object to a single recommendation found in the report of the statutory instruments committee. I support them all wholeheartedly. On the other hand I should warn you, Mr. Speaker, in case you haven't been able to read the report completely, the world will not come to an end upon the passage of these reports. In many ways, the business of the government of Ontario will continue as it has continued since this province entered into Confederation.

One of the reasons for that has nothing to do with the chairmanship of the committee, the committee's counsel or the members of the three parties who make up that committee. Rather it has to do with the terms of reference of the committee.

I noticed at the beginning of his remarks the chairman of the committee pointed out the terms of reference the committee received, not only from the assembly—at each opportunity, the assembly had to structure or restructure this committee—but also from the Regulations Act. It might do well to put that one extract from the Regulations Act, RSO 1970, chapter 410 on the record again. That dealt with section 12(3), which I think is really the outstanding issue still for that committee and that committee's future.

"The standing committee on regulations shall examine the regulations with particular reference to the scope and method of the exercise of delegated legislative power, but without reference to the merits of the policy or objectives to be affected by the regulations or enabling statutes and shall deal with such other matters as are referred to it from time to time by the assembly."

Therein lies the difficulty with making a standing committee on statutory instruments a committee with real influence and real import around this place, or in any other jurisdiction where we deal with delegated powers or government through regulations. The difficulty is twofold.

The first difficulty for the regulations committee or standing statutory instruments committee in this province is that they deal with regulations after the regulations come into effect. There is a counterpart, I am sure you are aware, Mr. Speaker, within the government. As I recall it is a committee peopled by parliamentary assistants who do a vetting, a review of proposed regulations before they become regulations. So, if there is a major problem with a regulation, the parliamentary assistants' committee hopefully gets it and tells somebody that it doesn't work; it isn't a good idea; they had better not go ahead with this particular regulation. Then no matter how many hundreds or thousands of regulations we pass in a given session or year, we should have very few with some very serious defect in them.

Of course, in spite of that process, the assembly's committee managed to find a few regulations that were defective. The one that comes to my mind particularly is from the first report, June 1979, which was the Environmental Assessment Act error in regulation. It is a serious defect. It is a technical defect. But there is a lot more wrong with that legislation than just that particular defect.

The difficulty is, by getting to look at the regulations after they are law, the people of the province are placed in a situation where the assembly's committee is looking at something that has already caused damage. It would be a much better system if the committee of the assembly were able to vet those before they became law.

The most serious and substantial problem lies in the words of the Regulations Act 12(3) ". . . but without reference to the merits of the policy or objectives to be effected by the regulations or enabling statutes . . ." That's the real difficulty that our standing statutory instruments committee has in becoming an effective tool. It would be much more useful as a forum or a mechanism for debate and decision if it could look at those aspects, whether or not it's a good idea in terms of public policy to make a change in a regulation.

Any member who's been in the assembly for a period of time knows we have government by regulation in this province just as much as we have government by legislation. Many decisions made behind closed doors in the cabinet room find their way through the regulations process and then become part of the body of law which in effect governs the lives of our citizens. Those are laws that may not have been debated in the assembly in the past 20 or 30 years, but the government can take advantage of that particular law by way of regulation to make a change that can have a serious effect within the province. The assembly has no way of talking about the merits of that policy or the objectives that are effected.

I think that's the most important question before the assembly—admittedly it comes through the back door—with this report. What is the appropriate way for this committee to be acting? If we're going to have a committee that can do nothing but look at them after the fact and can only check to make absolutely sure that they fit within the four corners of the act, then we're not spending our time usefully and we're not providing people in this province with the best possible type of committee. I suggest that the people of this province would be better served by a standing committee on statutory instruments that could examine those regulations before they became law, question the policy involved, consider the merits of that policy and the objectives to be effected.

Certainly in a minority situation that would lead to the odd regulation, if not many regulations, coming out much differently. If I can be partisan, it would lead to much better government in Ontario.

Mr. Cureatz: Mr. Speaker, I thank the members of the opposition for the tributes. It gives me great pleasure to say a few words in regards to our report on the standing statutory instruments committee.

Might I first compliment you, Mr. Speaker, in persevering with us. It's not exactly one of the livelier reports presented into the House. It's a little dry, but it certainly is worthwhile. I'd like also to congratulate the member for Brant-Oxford-Norfolk for coming into the House and listening to our few pearls.

Mr. Nixon: I wouldn't miss it for the world.

Mr. Mancini: What about the rest of us?

Mr. Cureatz: As he's well aware, the regulations in regard to legislation are quite often drafted and carried out by that infamous group, the lawyers of Ontario. We all know how appreciative he is of the men of the bar.

More specifically, I want to congratulate those other members of my committee, the member for Grey (Mr. McKessock), the member for Victoria-Haliburton (Mr. Eakins). From time to time it's always pleasant to roll in on a Thursday morning, when I'm sure we have more interesting things to do involving constituents' work, to find them there, faithfully plugging away. I might also add that the member for Hamilton Centre (Mr. Davison) had had the opportunity of coming in and representing his party. As a matter of fact, I think he was the one who mentioned to me once that he heard a rumour the member for Armourdale (Mr. McCaffrey) was going to show up, but I don't remember him showing up. However, we are a close-knit family and we have had some interesting little family discussions in regard to statutory instruments.

Finally, as the member for Hamilton Centre brought out, we have to congratulate our chairman who has been persevering with this committee for some time and has, as always, brought forward a report of some substance, working in conjunction with our solicitor, Mr. MacTavish. This particular report again pays tribute to the chairman.

The frustration I have in making some comments on this particular report is that one could go two ways in exploring it. One could look either at the specific recommendations that are presented or at the overall concept of statutory instruments and what we are trying to accomplish in the committee. Personally, I felt it would be futile and a little dry, not to mention a little boring for the clerk, to listen to the detail-by-detail investigation of each point. So I decided to reflect them in my concerns and overall view in regard to our committee.

Let me refer first to a statement made by Mr. Justice McRuer in his inquiry into civil rights. He stated that in an ideal political system all rights and liabilities of the individual in relation to others and to government would be established by rules of law applied by the ordinary course of law. New rules would be made by the Legislature, which is representative of all the people, with constitutional and political safeguards for the exercise of its power. There would be no arbitrary or discretionary powers vested in bodies or persons other than the Legislature or those directly responsible to it.

It is obvious that the practical demands of modern government could not be met under such a statement. A legislature cannot state in complete detail all the rules to apply under the statutes that are passed by this House. Notwithstanding my personal views of the amount of regulation I would suggest should not come through the House, we have looked over in the last year many regulations. As our chairman has indicated, some 600 regulations have already been received. Since 1974, there have been some 6,000 regulations made. That has involved a large amount of behind-the-scenes work with respect to the large amount of law that supports the legislation that comes from this House.

My concern in regard to the accumulation of all these regulations is that we are tending continually to codify our law. To my way of thinking this codification is a detri-

ment to the people of Ontario. What happens when people are applying in regard to a specific circumstance, where they are affected by a regulation, is they encounter the administrator of the regulation. He says "I am sorry, you do not fall within this ambit of the regulation". The regulation is drafted following the passing of the statute.

This strict codification does not allow for flexibility. We have to think in terms of less regulation and allow a degree of latitude by the administrator so that people in Ontario can have the assurance that administration will be followed out and that they will fall within the ambit of the regulation.

I found from sitting on the committee—and I think other committee members agree—that more than often we have instances created where people in Ontario who are represented by their solicitors are worried that they don't fall within a regulation. As soon as legislation is passed, everyone starts to clamour at the doors to see whether they fall within or without that specific regulation. Here we are met head on with a dual collision. Do we try to keep down the number of regulations that are coming forward so the administrator can have some flexibility, or are we going to continue on a decodification of regulations so people are always clamouring if they fall within those bounds? [8:45]

Through the last almost two years of my membership on the committee it seems to me the way we have to be approaching some of these difficulties is to leave some discretion to the administrator of those particular regulations, so that we allow some flexibility and some generality into the regulations to ensure that people can be wrapped within—or for that matter possibly without—the regulation, depending on the effect the regulations have on the people of Ontario.

The committee has tried to tackle some of these general areas and I might say we have not been overly political in our investigations. We haven't been awfully controversial. We haven't had the news media in attendance. We haven't had staff members from that wonderful morning paper the Globe and Sale—I say "Sale," S-a-l-e, because we are not sure what is going to be happening to them in the next few months—inquiring about the kinds of work we have been doing. We have not had them coming in every Thursday morning at 10 o'clock wading through the occasional drudgery but much-needed and much-requested work of our committee

I think it is safe to say that all of us on the committee have been persevering because this is an important area. It affects so many people in the province and yet people do not realize the ambits and the degree to which they are affected by regulations.

The final general conclusion I want to bring to the House is that, as the chairman has already stated, we are seeking support from the Legislature. I am not confident that every member in the House has had the opportunity of sitting in on our committees but I want to assure you, Mr. Speaker, that the work we have done has been diligent; we have been sincere and we are asking for the members' support because we need that kind of support to keep plugging along with this work to show to those people carrying out the regulations it is an important area, it is a concern of the people of Ontario, and that they have to be on their toes in carrying out the regulations, or for that matter drafting the regulations, because the final superior body—our committee, the statutory instruments committee—continually reviews those regulations.

I want to state finally, Mr. Speaker, that if the House does adopt the report we trust it will give some consideration to a greater emphasis, possibly to a greater degree of power, for our committee to further look into and examine regulations that are passed and possibly have a bit more power to direct those people who are drafting the regulations, if indeed they have gone beyond the ambit of the statute. I trust the House will take into consideration my few humble words and those few humble words already given by the honourable members opposite who are sitting on the committee and adopt this report.

Mr. Swart: Mr. Speaker, I want to make a short input in this debate—perhaps somewhat from a feeling of guilt that I have not made a great deal of input into the committee.

I want to repeat what some of the others have said. First of all, the committee's report is perhaps not the most exciting thing that has hit this Legislature and on an evening which is perhaps going to be one of the most exciting and dramatic evenings of the year, I doubt if it will make the front page of the Globe and Mail or the Toronto Star tomorrow afternoon.

I also want to concur with the other members of the committee who have said a word of praise for the chairman of this committee. He has been thorough and in fact the whole committee has done a rather thorough job of vetting the regulations. I can't think of anyone who would do a more detailed job as chairman than the member

for Oriole who did do that kind of a detailed, rather boring job. I want to commend him for what has been done.

I am sure everyone on that committee, and those who may not have attended very frequently, questions whether that is the best way of dealing with regulations; the best way a member can spend his time as a legislator or as a person working on behalf of his constituents in other fields. I have to say I have rather mixed feelings about this. One could have an officer who reported directly to the Legislature to examine all of these and pick out the 15 or so out of the 1,000 that perhaps didn't totally conform with the acts, or which were made retroactive or which in some other way should have some corrections made to them, and then let the Legislature deal with them—or he could report directly to a committee.

Certainly there is a great deal of time spent on this work by the chairman and other members of that committee. We must question, sometimes, whether that is the best method. I must say now that the setting up of the guidelines, their adoption here this evening and bringing the vetting of the regulations up to date are all important, but from here on some consideration should be given by this Legislature and by the committee to the amount of time involved.

I am not suggesting the work hasn't been done efficiently up to now. It is true to say, however, the committee doesn't have the time to look at the 1,000 or so regulations; they are increasing year by year. They haven't time to look at the statutes in detail and at the regulations in detail; they have to delegate that to a very able counsel. If we are going to delegate to that extent, perhaps we should delegate a bit further and just ask counsel to make a report on the issue.

As I say, I have mixed feelings about this. Not only are there more regulations but the government is doing more things. The statutes seem to be getting more vague, the bones are fleshed out by the regulations and the regulations are becoming more meaningful. We haven't yet debated the Aggregates Act, but we will do so this next week. If anybody examines that act he will realize how meaningless it is until the regulations are attached to it. So I feel if the government is going to move more and more to governing by regulation instead of by legislation, then the importance of that committee will increase.

I am therefore of two minds on this. For the time being at least the committee should carry on with the work they have brought up to date. It is true that committee—and I am not taking any of the credit upon myself—has done a better job than the committee had done for years and years before their time. The members who have worked so hard on it are to be very much commended for what they have done.

I have had an opportunity to read the report and the guidelines and just say I fully support every recommendation established therein.

Mr. Nixon: Did you read the report, Mel?

Mr. Swart: Yes, I read the report. I don't know why the member for Brant-Oxford-Norfolk would question that unless he perhaps feels a bit self-conscious about it himself.

The members of that committee who have worked so hard really do deserve some congratulation here. There aren't a great many votes for working on that committee; they do it for the good of the detailed legislation in this province. But I still have to question the time it requires to do the kind of job that committee has done. I think some further thought has to be given to the procedures connected with it.

Ms. Bryden: Mr. Speaker, I wanted to discuss one particular recommendation of the committee in its first report, which was tabled in June 1979. In that report, the committee came up with a rather startling discovery. It looked at the use of the exemption power by the Ministry of the Environment under section 30 of the Environmental Assessment Act and came to the conclusion that exemption power is perhaps being used in an illegal manner.

For the past three years the ministry has been using section 30 to exempt a great many government undertakings from the Environmental Assessment Act. These include such things as major highway construction, provincial parks development, industrial parks, large Ontario Hydro projects and a host of other provincial government undertakings.

One of the most significant exemptions has been the exemption of the proposed Darlington nuclear generating station. It was exempted on the grounds that its time schedule was such that there was no time for an environmental assessment; it was too far advanced. The latest revision in Hydro's estimates of energy needs has changed that timetable and there would now be time for an environmental assessment. The use of the section 30 exemption for the Darlington station should be questioned. If, as the statutory instruments committee suggests, it is

illegal, the ministry really should order Hydro to undertake an environmental assessment of the Darlington station immediately.

There have been over 70 exemptions under this section by the Ministry of the Environment, some of them covering whole groups of projects. The clause in the act simply states that the minister can exempt any undertaking if he "is of the opinion that it is in the public interest," but he must weigh his view "against the injury, damage or interference that might be caused to any person or property by the application of the act . . ." The statutory instruments committee looked at that power and said this: "The committee is of the opinion that the validity of the exemption orders made by the Minister of the Environment under section 30 of the Environmental Assessment Act, 1975, is, to say the least, questionable. We recommend that steps be taken legislatively to put their validity beyond doubt." That is on page 21 of the report.

I asked the minister, in his estimates I think it was, or in the House, whether he intended to take that advice and perhaps amend the legislation to put that exemption power beyond doubt. My recollection is that he took the attitude that the courts should decide and that he intended to carry on using that section until such time as it was challenged.

The basis upon which the committee challenged it is interesting. The committee said the exemptions were of a legislative nature and therefore came under the Regulations Act. Consequently, they must be registered with the registrar of regulations and published in the Ontario Gazette. The ministry contended before the committee that they were not of a legislative nature and therefore did not have to be registered with the registrar of regulations, but the ministry did state that it was in effect following the procedure of gazetting the exemptions and that they were kept in a place in the ministry to which the public had access. In effect, they are complying with the same rules that would apply to a registered regulation but they are not complying with the letter of the law for a regulation that is considered of a legislative nature.

[9:00]

The committee took a rather serious view of this deviation from the normal treatment of regulations. That is why it questions the validity of the exemption orders.

It stated that the deviation amounted to a serious undermining of the Regulations Act, "to a point where its purpose would be completely frustrated." Therefore, it recommended that steps be taken to put the matter beyond question, but it made no suggestion as to the steps. Presumably it left that up to the ministries.

This is why I rise to speak on this matter. I would like to ask the minister to take some steps to put those exemption orders beyond question. I would like it to be clear whether an environmental assessment is now required on Darlington, if the exemption order is invalid.

I would like to suggest that the use of the exemption power has been excessive and that it has rendered the Environmental Assessment Act virtually a piece of window dressing, or if you want me to be stronger in my statement, Mr. Speaker, a nullity.

We have had practically no assessments under the Environmental Assessment Act since it was passed in 1975. The whole of the private sector is exempt except by designation and not more than half a dozen projects have ever been designated. The municipal sector has not had the act applied to them because they are still considering, as they have been over the past four years, how it should be applied to the municipal sector. A great many projects in the government sector, as I have mentioned, ranging from hydro projects to highway projects to parks projects are exempt. When the act came in, it was touted as requiring environmental assessment of all new undertakings or additions to existing undertakings to see that they were environmentally sound. We have had very few real environmental assessments under that act in the four years since it was proclaimed.

If we want to make that act operative it would be very valuable to make sure that section 30 exemptions are valid and that section 30 is used only for situations where there are good reasons for not having an environmental assessment, such as the project is so far advanced that there could not be an assessment within the time required for its completion without causing great public hardship.

I think the committee did a very important job in drawing attention to that possible illegality. It did note that there is another section in the Environmental Assessment Act which also gives some power to exempt. They thought that these two sections should be clarified as to which one takes primacy and which one is the one under which exemptions should be given. They felt the other one was probably valid but had not been used to any great extent. That is section 41(f).

The committee pointed out: "The present two alternative methods of making exemp-

tions from the act, i.e., under sections 30 and 41(f), are redundant and ill advised. We recommend that the ministry study the situation in the light of our comments and decide upon one or the other and, in any event, making it perfectly clear whether or not the Regulations Act is to apply." That quote is from page 22 of the report.

Now you can't get a much stronger statement from the committee that it has found something very ill advised in the present setup under the Environmental Assessment Act. I think it is up to the minister to see that situation is clarified.

Mr. Renwick: Mr. Speaker, I only want to speak very briefly on the report of this committee. Interestingly enough, the existence of this committee for practical purposes came about through the concern and consideration over a long period of the then member for Woodbine, Kenneth Bryden, who sat here and who was very much concerned in this whole topic. In the final event I don't think the form of the committee and its limitations quite accorded with what he intended, but it was at least a start.

I want to refer particularly to the problems put forward in guideline (a) of paragraph 1 on page 11 of the second report, chapter IV: "The regulations should not contain provisions initiating new policy, but should be confined to details to give effect to the policy established by the statute."

Perhaps the members of the House will recall that I spoke at the time of the second reading of the bill to amend the Securities Act to draw attention to the kind of problem this assembly was faced with in a very technical bill to which the commission was devoting the total amount of its time and the difficulty which an assembly like this had in dealing with that kind of expertise. I pointed out that the Securities Act, having gone through four or five drafts as a bill, was finally passed by this House as a complete revision of the Securities Act and there wasn't a single amendment initiated by any member of the House. All of it was done by consultation between the industry and the government.

The net effect of the practice which has developed is that many policies of the Ontario Securities Commission find their way from practices of the commission into regulations and then into statutes, so that, in fact, it is an inversion and a reverse procedure to what is recommended by the guidelines. The policy matters should be in the statute, should have their origin in the statute, should come through the statute by debate in this assembly and not because they have been formulated first of all as regulations and then find their way into the statute.

The second point I want to make is that the Ontario Securities Commission has done one very good thing—it has done a number of very good things but in this particular field it has done one very good thing. It held public hearings with respect to the draft regulations under the Securities Act to give people the opportunity to see the regulations before they were enacted into law.

I would earnestly hope that this committee of this assembly would be the body which in the future, not only for proposed regulations of importance under the Securities Act but for proposed regulations of importance under any act, would be the body to which those regulations would come in draft form. It would be that committee which would have the responsibility for holding public hearings about those regulations to inform the public and to inform themselves, so that at the time they were about to be published in the Ontario Gazette and filed with the registrar of regulations a committee of this assembly would be knowledgeable about them, rather than to have this practice where the filing takes place with the registrar, the publication is in the Ontario Gazette and the first that any of the members of the assembly or anybody accountable to this assembly sees of them is when they are published.

I think it should become standard practice. If, for example, the Minister of the Environment were to publish a new set of regulations about a specific area in his area of responsibility, they should be done in draft form and referred to this committee with the obligation to hold the hearings before they become law by filing with the registrar of regulations. It would be immensely comforting to the members of the assembly to know that delegated legislation had been looked at by a committee of the assembly before it became part of the administrative law of the province.

There are many examples which would be equally important, for example, the regulations that have been published under what has been known as Bill 70, the occupational health bill. It would have been very important that they be seen to be reviewed by a committee of this assembly and public hearings and submissions received by a committee of this assembly before they were finalized, filed with the registrar, published in the Ontario Gazette and became law.

It's a matter that I'm sure is not going to be done overnight. I hope to speak on it again. I do hope that the members of the committee, when they meet again to con-

sider these matters, would take those remarks under advisement and perhaps consider whether there is, after exploration and consideration of them, any real merit in proceeding in that way. If the committee were meeting at some time and wished to have any elaboration on those matters I would be glad, of course, to accept an invitation to appear to discuss it with them in some further depth.

Mr. Acting Speaker: Is there any other member wishing to speak to this motion?

Report adopted.

BUDGET DEBATE

Resumption of the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Williams: Mr. Speaker, I appreciate the opportunity to move into chapter 18 of my budgetary address, or so it seems, based on the rather broken manner in which I've had to bring my thoughts to the Legislature. I hope this evening I can continue to provide some continuity by quickly touching on the highlights of the things I've mentioned, while addressing myself to the two last issues that have given me some concern and which I'd like to speak on for a few moments this evening.

I just want to remind the members of the Legislature that when I commenced speaking to the budget I clearly pointed out that the budget had been designed to reaffirm the co-operative stance of this government with regard to its dealings in the private sector. I think I clearly demonstrated ways and means by which the budget was designed, along with the activities of this government, to help rather than to hinder the private sector and that we should continue to work in a co-operative manner rather than in an adversarial stance in dealing with the business concerns throughout our province.

[9:15]

I've never felt that an approach of confrontation and mistrust really brought about any productive results. To operate in that type of atmosphere is not conducive to encouraging the private sector to improve upon itself and, in so doing, to improve upon the wellbeing of the economy of this province and the standards of living which flow therefrom and which the citizens of our province at large enjoy.

I think this government can take pride in the fact it has enacted positive legislation and developed a positive legislative climate, as reflected in the budgetary papers, along with a general government attitude that is favourably disposed toward the industrial sector. There is a need to create this confidence.

I pointed out that while the function and role of the opposition parties is to be critical, sometimes they can take those criticisms to excess.

Instead of endeavouring to make points against the government of the day, they are doing irreparable harm to our province as a whole as a result of the way these criticisms are viewed by people beyond our borders. Those industries and business concerns that feel there may be justification in wanting to invest or come into the province to set up business and shops can sometimes be discouraged just by the general attitudes that may be expressed by the legislators of the jurisdiction.

We always have to be mindful of how we criticize. There are differences between positive and negative criticism. While it makes good press at home to be critical and show that the opposition is fulfilling its role in that regard, sometimes it has been carried to excess and it hasn't helped anyone, particularly the workers of this province, who can only succeed if there is full employment and opportunity within the province.

Those were issues I pointed out at the beginning of my budgetary remarks. Moving from there, I addressed myself to another problem that gave me considerable concern at that time, which was a need I felt existed to destroy the myth that had been conjured up by the opposition parties in trying to portray Ontario Hydro as a secretive, cringing crown agency that was without desire or intent to be accountable to the people of this province. On more than one occasion, opposition members have seen fit to use Ontario Hydro as a whipping boy in this type of setting. I think I clearly set the record straight when I pointed out that, factually speaking, Ontario Hydro is anything but those things which the opposition occasionally has endeavoured to characterize it as being.

I pointed out, in particular, that Ontario Hydro is a crown agency that probably has more need to be accountable to the people of Ontario through different boards and agencies and commissions than any other crown agency heretofore. I pointed out that Ontario Hydro in the past five-year period has had the responsibility of reporting to four different boards, three different committees of this Legislature and four royal commissions.

The number of hearing days held involving those different groups over that five-year period totals 771 days; in other words, over two years of hearings. Those hearings have involved hearing from no fewer than 1,600 witnesses, of which over 440 have been Ontario Hydro witnesses, not to speak of the support staff it has had to make available at all times to assist those witnesses in making their representations to those various boards and commissions.

The number of transcript volumes that have been published is in excess of 980. Last but not least, I pointed out the immense cost, not only in time but in money. I pointed out that to the end of June of this year over $11.5 million had been spent in these various hearings by Ontario Hydro. I think, Mr. Speaker, I thoroughly concluded at that time that, contrary to the way in which Ontario Hydro had been portrayed by the opposition parties, never before has any crown agency testified so frequently, so continuously, so readily, so openly, so fully, so willingly and so capably.

I think that Hydro has bared its soul in accounting to the people of Ontario and in so doing I think it has served an important purpose not the least of which is to ensure to the people of Ontario, through its accounting, that indeed there is and will continue to be a security of supply of energy to this province that can be provided in an economical and efficient manner at cost.

Mr. Speaker, at the time of my concluding remarks on that particular concern, my time expired and I was obliged to return to the debate. I am pleased to take up again this evening where I had left off by coming to two further matters of concern to me.

The first concern, Mr. Speaker, relates in a way to remarks that I had made at the beginning of my address on May 11, so I want to indicate there is this continuity flowing through these remarks, even though they have been widely spaced through circumstances beyond my control.

I had commented, as I said a few moments ago, on the negative factors working against industry in this province and working against our economy. Some of those negative factors have been legislative in nature. There have been international economic conditions. There has been the bureaucratic red tape that the private sector experiences at all levels of government. There have been the geographically-advantaged provinces—such as Alberta and Saskatchewan, with their vast raw resources—that have made them exceptions to the economic programs we have been experiencing, in Canada as a whole and in the world beyond. Those provinces, because of their rich resources, have attracted a large pool of manpower. So these have all been negative factors, in a way, working against full-employment opportunity in this province.

I wanted, however, to touch in particular on one specific negative impact of bureaucracy that has affected one of our larger and more important industries. That, Mr. Speaker, is the housing industry.

We all know that the housing industry cannot exist without one essential ingredient, namely land. The history of the industry since the end of the Second World War has been marked by two important considerattions. First, the phenomenal growth in every town and city of residential, industrial and commercial development. In conjunction with that phenomenal growth we have seen growth in government of the checks and balances introduced with the enactment of planning legislation to regulate and appropriately control land development, such as has impacted directly on the housing industry.

This concern and involvement in the public sector has been reflected in the enactment at the provincial level of our Planning Act in 1946, which has proved over the years to be one of the cornerstones of provincial legislation that has served the people of this province well in an orderly growth and development within the land development field.

The Planning Act has been a blueprint of planning practice and procedure that is still in place and intact 32 years later. It is one that has been studied by other jurisdictions and has even been copied because of its proven worth, both in principle and in practice. Notwithstanding the fact there have been revisions and expansions of the original act since its enactment in 1946, I think one must realize there had been no comprehensive reappraisal of the Planning Act until 1967. I think it is important that no matter how good our legislation may be, and no matter how well it has stood the test of time, one must always be prepared to review, reconsider and reassess those laws to see whether they are still relevant in a later day and age, under given changed circumstances.

In 1967 members will recall the Ontario Law Reform Commission published the first of several reports that formed the first reasonably detailed study of municipal planning in Ontario since the original 1946 Planning Act. That review process has evolved continuously since that time.

Subsequent studies by the law reform commission have indicated there is room for change and improvement in the system, bearing in mind that we have changing community and social values, including new housing concepts and land-use needs, coupled with greater public involvement and refined and more complex municipal planning procedures. All of these have begged for a comprehensive review in light of this changing environment.

Mr. Kerrio: John, are you going to run out the clock?

Mr. Williams: I think that's a possibility.

Mr. Kerrio: I thought you should just tell us in fairness. For this festive season, you shouldn't lead us on.

Mr. Acting Chairman: Order.

Mr. Williams: If you want to invite your friends in, please do so.

Mr. Kerrio: Thanks, John.

Mr. Roy: Not too fast, John; I'm taking notes.

Mr. Acting Speaker: The drama in Ottawa tonight is only secondary to the tension in this chamber.

Mr. Williams: Members may recall that the next significant development since the Ontario Law Reform Commission reported in 1967 was the establishment of the Planning Act review committee in 1975. That committee was asked to review the nature of municipal planning in Ontario to do three things: first, to determine what it should be directed towards; second, to define the rules of the different levels of government in the planning process; and, third, to look at the legislative framework, administrative procedures and regulatory mechanisms that are at the centre of the present system.

As you know, Mr. Speaker, the Planning Act review committee report was published in June 1977 and received wide distribution among many interested parties and municipalities. As a result of that wide distribution and great public response, along with our own intergovernmental review of that committee's report, we published a white paper on the Planning Act which came out in the spring of this year. There is no question the white paper proposes sweeping changes, although they are basically in accord with the recommendations contained in the Planning Act review committee report.

[9:30]

I think we realize the white paper proposes the provincial role be dramatically revised, giving the municipalities much greater powers. The paper stresses the importance of official plans being continued. That whole concept is deemed an integral and important role within the success of the planning procedure.

The report recommends subdivision land procedures be improved and public involvement in official plan, zoning and subdivision proceedings have their procedures standardized. At the same time, the report recommends the role of the Ontario Municipal Board be somewhat contained so the greater powers can remain with and now he vested in the municipalities and dealt with at the municipal level.

There are two concerns that arise out of this process and where we're at today. One of the concerns I have is the recommendation contained in the report that planning boards, as such, be eliminated. It is suggested that in this manner the planning process could be expedited and would eliminate one step in the planning process.

Many of us who have had involvement in municipal government as elected representatives are well aware of the important role the independent, citizen-appointee planning boards have played in the planning process since the inception of the 1946 Planning Act. I have had the privilege, as I am sure a number of us have, of serving on local municipal councils and sitting on local planning boards as one of the elected representatives.

I have found through my experience, and I'm sure other members will agree, there is a great deal of merit in having an independent planning board deal initially with planning proposals that come before it to consider all facets of the applications, whether it be a subdivision application or a rezoning of existing land uses. I've always found that local planning boards—certainly those I have been involved with—acted fairly and objectively in trying to deal with matters on a strictly planning basis. I felt this provided an appropriate buffer between the elected representatives and the people so that the initial problems and considerations could evolve and crystallize in an environment that was less political and more directed to the true planning process.

While the recommendations would eliminate that particular step in the proceedings, I'm not sure in the long run it will be proven to expedite the process, but rather it may remove an important element we will regret losing from the planning process. I do have grave reservations about that particular recommendation endorsed in the white

paper and proposed by the Planning Act review committee.

The other concern is the one I don't see clearly addressed in the Planning Act review committee report or in the white paper. I refer to the one of coming to grips with the social cost of delay in bringing housing programs and projects on stream.

The bureaucracy and red tape involved when developers of residential projects bring them before the municipalities, and on to the provincial level, have discouraged developers in bringing the necessary housing into place. It has been shown that the discouragement has been so great that some of our more substantial business concerns in this industry have found it to their advantage to bypass this impediment in their development programs and have gone to other jurisdictions where they have found they could undertake the same works in half the time.

Quite often people say: "Why do we care? If it's not in the social interest, let the proposer or the applicant bear the cost of it." The unfortunate thing that's said all too seldom is that it's the consumer that ultimately winds up bearing the cost, because there is no question the builder and the developer do not absorb that cost beyond a certain point. Where there are diminishing returns and no reasonable profit to be made, they simply pass that add-on cost to the consumer.

This government, on more than one occasion, has chided municipal governments for taking too long in the processing of land development proposals. I must say we do not come out with clean hands at the provincial level either, because there is no question that, once it's passed through the municipal offices and departments, delays have been experienced at the provincial level too. So we're not totally blameless in that situation.

The important point is that government at all levels has got to recognize the harm it is doing in not addressing itself seriously to this problem. We cannot afford to have our responsible industries in the housing market going to other jurisdictions and leaving us devoid of the necessary resources and skills to provide the necessary housing to meet the social needs of the people in our communities.

To illustrate the point, I will simply refer to one case. I will not identify it specifically but I can assure honourable members it is a specific instance of a land development project within Metropolitan Toronto. In the spring of 1975 a developer started to bring forward a residential proposal, hoping that he would be able to bring the project to fruition within a 12- to 18-month period. There was unofficial encouragement from the local municipality.

It turned out it was a full year before the particular builder even got his project before the local planning board because, after he had made his initial expenditures, investigations and cost projections, the municipality decided that the applicant probably should not proceed until the adjoining land owners were also ready to put their property into the housing pool and let not only the applicant's lands, but also adjoining land owners' lands, be developed concurrently.

Notwithstanding the fact that the adjoining land owners had no intention or desire to develop their lands, nevertheless the municipality stood firm for more than a year before it finally agreed to let the applicants proceed on the merits of their own particular property holdings and the proposal they wished to apply to their property holdings.

In 1976, they were finally able to go through the normal municipal process of going before the planning board, having public hearings, awaiting the return of reports from the various municipal departments to the planning department so they could submit their reports to the planning board and hold a public hearing.

One of the strengths of new Planning Act review committee, as endorsed by the white paper, is that the public involvement process and procedure will be strengthened by standardization through regulation—regulations we talked about earlier this evening in a different context. That is encouraging, and any of my remarks must not be taken to suggest that I would discourage public involvement and participation. It is an extremely important ingredient in the whole planning process.

However, governments at all levels must have some criteria, some ground rules by which they can set some reasonable time limits so all parties know they have full opportunity to have their say, and yet not to the point where time becomes so heavy that it makes it uneconomical to consider proceeding further or even to embark upon a reasonable project.

In the particular case I referred to, I found they ran into great difficulties after they had them before the planning board with their various hearings. A number of conditions were imposed on the developer that had not even been contemplated at the time of their initial discussions with the municipal planners involved. It was two years later, after further deliberations and meetings and dis-

cussions, that the matter came before the local council. Then, once having received approval, because it was within the Metropolitan Toronto area, the whole proposal had to go from the local council to the Metro planning board for its input and consideration.

Three years later, in 1979, to my knowledge, a brick has yet to be put in the ground or a foundation constructed on this project, the physical housing project has yet to come off the drawing board, and the frustrations experienced by this particular applicant are only illustrative of the problems confronting the housing industry in the private sector.

Some recognition of this problem has to be spelled out more clearly and addressed specifically in any major revision of the planning laws we bring forward in the ensuing months, after the white paper has been fully considered and the final legislation prepared for debate by this Legislature. I am sure that is a consideration that will be addressed carefully in the coming months and will be an integral part of the ongoing work of the ministry involved and the members of this Legislature. I can't stress too strongly, however, that we must give more serious consideration to that aspect of our planning process than we have in the past.

[9:45]

As I've said, I can find nothing in the documentation published to date on this matter indicating that particular problem has been addressed as clearly as many of the other issues, as spelled out in the white paper. The expeditious dealing with these matters at all levels of government has to be an important consideration if the system is to be truly improved and capitalized upon.

I would like to conclude my discussions on the budget by moving to a second area of concern of mine. It's one of a more general nature, yet probably fundamentally more important, since it pertains to the role of government and the leadership it must provide, than any other single issue. This government can clearly take credit for having shown leadership in a number of significant ways over the years that it's had the opportunity to serve as the government of this province.

First, through the enactment of progressive legislation that meets the needs of the people throughout the width and breadth of this province, the government has shown leadership in the development of policy that provides the people with both the hard and soft services to which they are entitled and for which they have a need. We've certainly shown leadership in the maintenance and preservation of a fiscal policy that is both responsible and responsive in providing the services to which I have just referred.

However, within this framework there is also a much broader obligation on government to show leadership by way of a demonstrated support for the rights of the individual, coupled with clear endorsation of the basic traditions and values that have been the strength of our western civilization and culture.

It's not so much a matter of program or of identifiable projects, but rather a matter of behaviour or attitude, a matter of response to societal activity.

Mr. Conway: Williams for family unity!

Mr. Williams: I'm particularly addressing myself to this concern tonight, because I know the member for Renfrew North (Mr. Conway) is here and he encouraged me to speak on matters that are close to his heart. I will be alluding to the concept of the family unit, because I don't want him to go away feeling cheated this evening.

Mr. Conway: You're the poor man's pope.

Mr. Williams: If the member for Rainy River (Mr. T. P. Reid) can refer to the Premier as the Oral Roberts of the Legislature, I guess I'll take my friend's comment as a compliment as well.

Governments traditionally have passed laws and set policies supposedly to reflect public attitude and aspirations, but governments must not be hesitant to defend the status quo in the area of individual rights and in preserving the basic moral values and traditions of our society.

Mind you, talking about the fundamental rights of the individual means different things to different people. For instance, self-indulgence in pursuit of material wellbeing without assuming responsibility for or accountability to any other person or persons is very much in vogue in our society today.

Let me illustrate the point by referring to two educational commencement ceremonies, apart in time and place, yet each in its own way and from a different perspective coming to grips with the fundamental freedoms of the individual. The only similarity between the two, however—and I am going to refer to it—is that each was charged with a certain sense of despondency—but for very different reasons.

First, I refer to a high-school commencement ceremony I was at not too long ago at which the valedictorian was making his presentation to the students. He chose to cite the case where three students in the school had been denied participation in school ac-

tivities because they had committed a physical assault on one of the teachers.

The valedictorian came to the conclusion that the establishment was wrong, that the school board should not have invoked that type of restraint on the students, because he had investigated the incident and was satisfied that the students were only having a bit of fun and that the assault on the teacher didn't justify that type of reprimand and restriction of their activities.

He felt a distorted sense of justice had been applied, the students should have had more freedom of opportunity and they shouldn't have been imposed upon.

He went on to discuss something that was quite timely, because it was at the time of the Lord's Prayer incident in the Toronto School Board setting. He indicated support for objecting to the use of the Lord's Prayer in the schools, because he felt he might not want to recognize it; therefore, others shouldn't have it imposed on them either.

He pointed out too that he felt his own personal individual rights were being imposed upon because we have a censorship board in Ontario with regard to the movie industry.

Mr. Conway: Is it true that the government caucus gets to look at the year-end tapes?

Mr. Williams: Not to my knowledge. The member will have to ask the Minister of Consumer and Commercial Relations (Mr. Drea).

He pointed out how these were some of the individual freedoms that he felt were being imposed upon improperly by this society, and his only consolation was that he had his friends there at the school who somehow would help him fight that mean old world out there.

In concluding his remarks that evening, he felt that the only solution to the problem was to go out to the party they were holding after the commencement ceremony and get drunk.

This type of speech didn't make me angry. But it did make me rather sad, because it was full of despondency and despair. It was devoid of high hopes or aspirations for the future which you normally would anticipate would be contained in a valedictorian's speech. It seemed to condemn the present social conditions and values by which we live, and yet it offered no alternative in return.

The other commencement ceremony was starkly different. It was one that involved a speech given by the noted writer Alexander Solzhenitsyn. This was given in a commencement ceremony at Harvard University in 1978. I want to cite three paragraphs from that speech, because it gives a marked contrast of attitudes here.

He pointed out first that "destructive and irresponsible freedom has been granted boundless space. Society appears to have little defence against the abyss of human decadence such as misuse of liberty for moral violence against young people, motion pictures full of pornography, crime and horror. It is considered to be a part of freedom and theoretically counterbalanced by the young people's right not to look or not to accept.

"However, he went on to point out that such a tilt of freedom has come about gradually but it was evidently borne primarily out of a humanistic and benevolent concept wherein the world purportedly belongs to mankind and all the defects of life are caused by wrong social systems which must be corrected."

He went on to make one further statement that ties in with that, when he stated: "It is feasible and easy everywhere to undermine administrative power and, in fact, it has been drastically weakened in all western countries. The defence of individual rights has reached such extremes as to make society as a whole defenceless against certain individuals. It is time in the west to defend not so much human rights as human obligations."

Mr. Roy: If the member doesn't stop here soon, I won't send him a Christmas card.

Mr. Williams: I just saw my friend sign it; so I am not worried. In fact, if he would have a page send it over I would be most appreciative.

Mr. Speaker, humanism and pluralism are concepts which today appear to dominate our social thinking and attitudes and as such would tend to give a different meaning and emphasis to the two basic considerations: (1) rights of the individual and (2) retention of our basic traditions and moral values.

I have just illustrated a point with regard to the rights of the individual, and I would like now to turn to the matter of retention of our basic traditions and moral values.

There is a lot of talk about our changing values system and the supposed inevitability of it all. The basic traditions and moral values that are the real cornerstones of our society in the free world are founded largely on religious beliefs. In western society those beliefs are entrenched in the Judaeo-Christian religions. This is not to deny the powerful influence that other major world religions play in other parts of the world; Islam, Hinduism and Buddhism are examples. In some countries of the world, any one of

these religions may be not only the official religion of that country, but also the only religion practised and recognized in that country.

[10:00]

In North and South America the Judaeo-Christian religions flourish, but not exclusively. Nevertheless, they are the predominant official religions in this part of the world. In countries of the Middle East and Far East, their religions are totally integrated into their whole social fabric without question or challenge. In contrast, in this part of the world, when we talk about basic traditions and moral values, particularly in the political arena, we seem to do so reluctantly and to associate those principles with basic religious beliefs seems to be approached with a sense of fear or trepidation. Some people do so almost apologetically for fear of being ridiculed or considered old-fashioned or even of being accused of proselytizing.

Governments must not be caught in the trap of trying to reflect in legislation and in policy contemporary thinking and attitude if it is but transitory, illusory or without basic value or substance. Governments at all levels must show leadership in speaking out in a constructive and aggressive way in support of our conventional values and traditions, whether or not they are founded on religious beliefs, whenever they are challenged or rebuked in the political arena.

These are not the times for showing complacency. On the other hand, legislators should not rush headlong into legislation and policy decisions which might be deemed politically expedient simply because such action might appease a militant minority group intent on dismantling some of the traditional values of our society.

The dilemma that is created by contemporary pluralism and the current climate of virtually limitless tolerance that it engenders, was addressed frankly and skilfully by the prominent Toronto surgeon, Dr. Harley S. Smythe, in a speech he gave at the Ontario prayer breakfast this past May. At that time he pointed out that:

"The mainspring of pluralism as we know it today is political liberalism, which says that the state must not interfere with the actions of its citizens except where those actions infringe upon the external freedom of others. The role of the state is thus limited carefully to the preservation of the external freedoms of all. Moral freedom must be left to the individual. It is thus paradoxically on moral grounds that the best state is the morally neutral state."

I would like to quote one paragraph from his speech that pointed out some of the paradoxes that existed and confronted him as a surgeon. He stated:

"Let me, as a surgeon, sharpen the focus on this issue by exemplifying it in some current deep concerns arising within my own profession. We are faced with numerous current paradoxes and sometimes sharp contradictions. Consider this paradox: There is an entirely new speciality known as perinatology which devotes a wealth of new medical technology to the care of the foetus, the unborn offspring of man as a patient, seeking to make his nine-month journey to birth as safe as possible. Against that, we have the political reality that over 50,000 new Canadians for whom one plan was full citizenship have not arrived amongst us this year, their journey is interrupted by the practice in our midst of mass elective foeticide.

"Or consider this paradox: We have remarkable new programs to help our mentally retarded citizens play a fuller role in our community, and our own Ministry of Community and Social Services sets a commendable example in this regard. Over against this, however, we have strong advocates of a policy which would seek to prevent, by any technical means available and by foeticide, the arrival of any new children who would be retarded. In the same connection, there are medical papers on record advocating infanticide for the multiply handicapped. As a final example, we have seen the emergence of new palliative-care units devoted to skilled, high-quality medical care for the terminally ill; yet, over against this, we have seen in our own Legislature the tabling of bills which form the early basis for euthanasia legislation.

"These three examples—and they represent only a few of such paradoxes—all speak from the outward surface of a sphere of much deeper conflict, a conflict of basic belief about man. They also make it clear that the persistence of the most nearly absolute value in human history, the value placed upon a single human life, is far from guaranteed in our society."

For those who see merit in wanting to tear down our present value system and replace it with a new code of ethics, there are those within that movement who see the need first and foremost to remove the core from our traditional social standards and values, which core is unquestionably the religious component. Hence, it is not surprising that in recent times there have been efforts made by some groups to remove from any govern-

ment institution, program or function any passing reference, tacit knowledge or fitting recognition of society's reliance on that belief or in that religious component.

A case in point, which I alluded to a few moments ago, as the Lord's Prayer issue within the jurisdiction of the Toronto Board of Education, where it was argued that the use of the Lord's Prayer should no longer be tolerated because it would offend certain people in this pluralistic society, and that it is better to have no recognition than one which purportedly would offend in this way. I must refer to the Premier's comments on this posturing by referring to the letter he wrote to the chairman of the Toronto Board of Education in rebutting the board's supposed justification for taking the stance it has.

The Premier stated: "I believe the people of Ontario and the people of Canada do share some common strands of culture and identity which are not an unfair imposition on the cultural heritage or freedom of many who have come to our country as a matter of choice and who have justifiable pride in their own culture heritage. I also believe that the Lord's Prayer establishes a common respect for a society where morality, humility and faith in God are important pillars of stability and social norm.

"I offer the view that it is not a prayer which imposes an exclusive religious doctrine upon anyone and, while it may not have specific meaning for some, its general application for so many surely is sufficient to evoke respect from all. From time to time Canadians express legitimate concerns about the shape and fabric of our society and the values which determine that fabric. I believe the Lord's Prayer is important to that set of moral values and that it could in fact be continued in the school system without at all threatening a society which makes tolerance, freedom and cultural diversity basic tenets.

"I do not believe I am being old-fashioned when I state to you my belief in the need for a spiritual basis to our society. I personally remain opposed to any move that would erode that basis, for in so doing I believe we jeopardize not only an important aspect of the society we know today but that of future generations as well."

Mr. Speaker, I noted with interest that all members of the Legislature recently received correspondence from Reverend Leonard Self of the Westminster Presbyterian Church in Toronto who has, along with many other people, shown a great deal of interest in this particular situation. He wrote to all members of the Legislature on October 18, sending us the views he had communicated to the Minister of Education (Miss Stephenson) on the breakdown of values in the public school system and citing the Lord's Prayer issue as but a symptom of the broader issue.

He made an interesting comparative study of humanism and Christianity. I believe he did make a strong case about the materialistic influence today of humanistic philosophy on our traditional social values and morality.

There is no question that Reverend Self raised an issue which we, in the secular community at large and in the field of politics in particular, seem to have chosen to ignore in large measure. The inevitable involvement of religious considerations in any discussion of our moral values gives the politician an excuse for handing the issue off to those within the ecclesiastical community. Some prefer to leave this issue clearly within the realm of the theologians—for discussion behind the closed doors of our churches and synagogues.

In fact, it is not inappropriate for theologians and politicians alike, within their own fields of endeavour, to address themselves to the same issue that raises concerns deserving of consideration in both jurisdictions.

Recognition by the government of this shared responsibility was made evident this past October, when the government of Ontario saw fit to honour His Eminence Gerald Emmett Cardinal Carter. It's unusual —or it certainly had been up until recent times—for any government representing the state to recognize any important occurrence in the religious community. I think there is a great deal of significance attached to that function, because the government had no hesitation to acknowledge that there had been an important event within the religious community and that it did, unhesitatingly, deserve recognition.

What troubled me about the event was the fact that some people treated the whole affair as petulant schoolboys—criticizing the event for even occurring, and being critical of the pomp and ceremony that surrounded the event, without really looking at the substance of what transpired that evening in the form of the very significant and important address made to all those assembled by His Eminence Cardinal Carter.

I would like to highlight the significance of that evening, and to speak to two specific points that he articulated so well and which cannot really be improved upon. They come

to grips with some of the issues that have concerned me and which I have tried, in my humble way, to address in my remarks this evening.

[10:15]

First, Cardinal Carter stated as follows:

"A great deal of ink has flowed, and a great deal of breath has been expended to laud the virtues of the American formula of the separation of church and state. I would like to believe that we in Canada, in general, and in Ontario in particular, have achieved something more mature than separation. We have developed mutual respect for our fields of confidence and jurisdiction, and therefore can pool our common interests and our common resources without feeling threatened one by the other.

"No compartmentalization is possible in human affairs in any absolute degree. Church and state are both dealing with the same prime matter, namely, persons. It is impossible to postulate a kind of order in which interests would not meet, at times appear to conflict and at others to show a reality of co-operation and common concern."

After setting that tone, which I think was extremely important, given the occasion and the circumstances of politicians coming together with religious leaders, His Eminence Cardinal Carter went on to deal about the conjunction of interests that exist. He pointed out that "the challenge is not only one of accepting and respecting our various ethnic groupings, but also of channelling in a common purpose our interest in those values which have created our civilization and which, whether we understand it or not, underpin and support it."

It was at that point, Mr. Speaker, that Cardinal Carter came to the very heart of his address that evening when he posed the question: "Are we witnessing the collapse of our civilization?"

In response to that question, he stated:

"In order to answer the question I had to develop the present status of our civilization, and I must confess that I could not do so in entirely optimistic tones. Our concentration on the things of the moment, on the profit motive, on material possessions, on a headlong pursuit of pleasure of all sorts to the detriment of any concept of man's most notable aspirations and of his eternal life, are the classic signs of the decay and collapse of all of the great civilizations which have preceded us.

"In the view of almost everyone in this room, the moral order is not some artificial set of norms concocted by one set of men to control another. They represent the very freedom of the human individual and the human community to achieve the purposes for which it was created. We may despise it and pretend to push it aside, but with this action we are making for ourselves a jungle in which we will all be lost and destroyed."

That was a very powerful statement, in my judgement, the sight of which unfortunately was lost by some of the assembled guests who saw cause to be critical of the more superficial aspects of the event when they were critical of the pomp and ceremony, rather than the true substance of the evening as reflected in the cardinal's very astute and relevant comments.

He was making clear—and I hope I have made clear, in some small way, my view—that there is a responsibility on government to show some leadership in preserving our basic standards, our basic values, whether or not they be couched in and strongly supported by religious beliefs and the Judaeo-Christian traditions in particular in this part of the world. It is something we have to recognize, rather than to sweep under the carpet and leave to someone else to care about and speak out about.

The cardinal clearly put it that we have distinct areas of responsibility; yet inevitably they overlap and they're all intertwined in creating that basic tradition and set of values that have given this province, this nation, this continent, the strength that it has in its people and in its total resources.

I feel strongly that we, as elected people, must show more leadership than perhaps we have in the past. I'm pleased that this government has demonstrated some of this leadership in a very tangible way. I've referred to the Premier's comments. Our ministry involved with social services has, along with the Provincial Secretary for Social Development (Mrs. Birch) in her area of responsibility, spoken out strongly on the importance of the family unit as a very integral part of that strength of our society and an inseparable component of our value system.

I spoke on the family concept and unity, and its importance, on another occasion in this Legislature; so I won't go into that at length this evening. I simply want to conclude my remarks this evening by stating that while my remarks this evening may go beyond strictly budgetary matters, our fiscal policies, our legislative programs and our public policies are of little value if we do not concurrently make an effort within these disciplines to contribute in a meaningful and positive way to the stabilization of the legitimate rights of the individual, in balance with

the strengthening of the moral fabric of our society.

Mr. Speaker, I appreciate the patience you have had in hearing me out over the past few months, with the somewhat lengthy interruptions in the presentation of my remarks with regard to the budget. I hope that I have maintained the continuity notwithstanding those interruptions and that I have been able to make some worthwhile contribution to the budget debate.

In concluding my budgetary remarks, I would point out as a footnote that another significant event has occurred this evening in that the government of the land apparently has been defeated in a vote of no confidence in Ottawa. I'm sure that my important remarks of this evening may be lost sight of because of the ensuing consequences of that particular event in Ottawa.

Mr. Speaker, again I thank you for the opportunity and conclude my remarks.

On motion by Mr. Worton, the debate was adjourned.

The House adjourned at 10:25 p.m.

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No. 138

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Friday, December 14, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, DECEMBER 14, 1979

The House met at 10 a.m.

Prayers.

HANDICAPPED PERSONS' RIGHTS

Hon. Mr. Elgie: Mr. Speaker, I rise on a point of personal privilege. In Wednesday morning's edition of the Toronto Globe and Mail a news story appears on page five which bears the headline "Elgie To Withdraw Disabled Bill." The article which follows relates to the statement I made on Tuesday in the House, with respect to Bill 188, An Act to provide for the Rights of Handicapped Persons.

My point of privilege is that the headline, together with the first paragraph of the article referring to the withdrawal of the bill, are incorrect, misleading and not in accordance with the statement I made on Tuesday. At that time I stated that, in view of the stand taken by those in opposition to the bill, I can see no purpose in proceeding with second reading. At no time did I indicate that it was my intention to withdraw the bill.

I remain prepared to honour that commitment given in my statement that the bill could be treated as interim legislation, to be incorporated in the provisions of the Ontario Human Rights Code, once the broader revisions to the code are introduced.

If it is felt there should be opportunity for public submissions, I would be quite prepared to have the bill referred to a standing committee for that purpose. However, I remain ready to proceed and the decision whether or not to continue to oppose the principle of separate legislation lies clearly with the opposition parties.

STATEMENTS BY THE MINISTRY

TILE DRAINAGE PROGRAM

Hon. Mr. Henderson: For more than 100 years, this province has encouraged farmers to increase productivity by improving the drainage of their land. When good drainage is added to good management practices, farmers can as much as double their production. Not only that, but they can often grow new and different crops on their land.

To date, I estimate that drainage has been improved on about 3.2 million acres of land in Ontario. Another three million acres still require improved drainage. At the current rate of improvement, the remaining land will be tiled within the next three decades.

In the last 10 years farmers spent about $245 million on maintaining or improving the drainage on 1.3 million acres of Ontario farmland. About $111 million of this was borrowed from the province under the tile drainage program. At present, under the current program, drainage is being maintained or improved on about 200,000 acres every year. About one third of the money comes from provincial loans.

It has become necessary to change the program's allocation system so we can provide assistance in a more uniform manner to a larger number of people. For 1980-81, I am recommending the following guidelines for use by municipal councils:

Initial drainage allocations will be announced following the Treasurer's budget in the spring. They will be based on the applications received over the previous three years.

A municipality may apply for a reallocation of funds for tile drainage debentures, based on the applications received by the municipality prior to August 31 of each year.

As in previous years, applications are to be based on not more than 75 per cent of the estimated cost of the project, up to a maximum for 1980-81 of $200 per acre tiled.

The maximum amount any one farmer may receive in loans in one year is $10,000 and the maximum cumulative loan for a farmer is not to exceed $40,000.

These criteria have been designed to ensure that as many farmers as possible will be able to take advantage of the program. I strongly suggest that municipalities bear them in mind when considering and approving future loan applications.

AGRICULTURAL RESEARCH PROJECTS

Hon. Mr. Henderson: Mr. Speaker, I have another statement regarding research projects.

A few months ago, my ministry was allocated $5 million from provincial lottery funds to use for research. The fund was established to support special research in the broad areas of food supply, food safety, nutrition and health.

I am pleased to say that when we asked for applications, we received 85 research proposals. These have been evaluated and 12 have been chosen. They will be supported by grants from the fund over the next one to three years.

One of the major areas of concern to both producer and consumer is chemical pest control. One of the projects chosen is a biological control experiment. Sterile onion maggots will be mass reared and released to compete with wild flies and prevent their reproduction. This will be an extension and evaluation at the commercial level of laboratory experiments which the ministry has supported in previous years. If this project is successful, attempts will be made to apply the technique to other pests. The University of Guelph will undertake this project in the Keswick marsh.

In the food safety area, two projects are of a particular note. One of these will be aimed at developing a health management system for dairy and swine herds that will reduce the reliance on drugs. Lowered costs of production and improved meat quality are also aims of this project.

The second will be directed at the poultry industry and the elimination of salmonella contamination. This project will review the entire production and processing system. A rapid, economical mass screening test will also be explored.

In the area of food supply, a group of researchers will examine ways to improve the handling, storage and treatment of peaches for the fresh market. We hope this project will extend the storage period, making fresh peaches available for a longer period. Another group will select grapes for experimental planting in southern Ontario, outside the traditional grape-producing area. In this way, we hope to expand the area in which wine grapes can be grown to supply Ontario's expanding wine industry.

In two other projects associated with the poultry industry, researchers will examine immune responses in chickens and will attempt to develop a vaccine to protect turkeys from a fatal disease. Other fruit and vegetable projects include an attempt to predict serious outbreaks of apple scab, a study of ethylene gas in the breakdown of quality in leafy vegetables and an effort to develop new mushroom species for commercial production. An additional livestock project will develop an insemination program for sheep that may be applied on commercial farms.

These projects will be undertaken by a number of different organizations, including the Ontario Tender Fruit Producers' Marketing Board, the University of Guelph, Brights Wines Limited, United Breeders, the University of Toronto and J. M. Schneider Incorporated.

For the first year, we have set aside $800,000 for projects to be funded this year. A total of $1.8 million has been committed for two- and three-year projects. I am providing members with a list giving the title of each project, together with the name of the recipient, budget figures and a brief outline.

All of these projects, Mr. Speaker, have the object of improving the supply and quality of Ontario-grown agricultural products. I need hardly say that we in Ontario already enjoy very high standards in food products, but we're always looking for ways to improve; that's how we stay on top.

The projects are listed on the attached two pages with the statement and the awards.

Mr. Deputy Speaker: Statement number three.

Mr. Conway: It is about those cheapskates in Ohio.

Hon. Mr. Henderson: Might be, give it time.

CHICKEN QUOTAS

Hon. Mr. Henderson: Mr. Speaker, I should like to review a few facts regarding Ontario's position in the national chicken marketing plan.

The Quebec and Ontario chicken boards, under the direction of the Canadian Broiler Council, agreed voluntarily on production targets in the early 1970s. These targets were for equivalent broiler chicken production in Ontario and Quebec. Subsequently, this 50-50 relationship was reflected in the base allocation for Ontario and Quebec in the national plan agreement. That agreement was signed by both the Ontario chicken board and the Ontario government.

However, these base allocations in the national agreement refer only to 1974 conditions when the national production was 650 million pounds of chicken. The national quota we are looking at today is for 880 million pounds of chicken. The question is: how is that additional 230 million pounds of chicken above the base to be allocated to the provinces? This question is answered in the criteria set out in the national agreement for determining provincial allocation above the

base and nowhere do these criteria refer to base allocations.

The voluntary agreement between the Quebec and Ontario chicken boards in the early 1970s and the base allocations in the national plan do not determine provincial allocations above the base allocations in the national plan.

Clearly, since the individual provinces signed the national agreement, each province is a market area, as referred to in the national plan. In order to ensure there could be no possible misunderstanding on this point, I instructed my assistant deputy minister, Bill Doyle, to attend the meeting of the national chicken agency before they establish the allocations for 1980, to reiterate our position on that very point and to remind them that the base allocation figures in the agreement in no way constituted permanent shares of the national quota.

I was the first to launch the appeal to the National Farm Products Marketing Council against Ontario's allocation of chicken quota recently established by the national chicken marketing agency for the year 1980. I authorized my staff to proceed with the appeal on Friday, November 30—two weeks ago today. This decision to launch the appeal was discussed with the Ontario chicken board as soon as we became aware of the full facts.

The chicken board agreed with us that the allocation should be appealed. Both the government of Ontario and the Ontario chicken board went to Ottawa on December 13—yesterday—to present this appeal. Bill Doyle, my assistant deputy minister of marketing, represented me at that meeting, together with other members of my staff.

The position of my ministry and the government has always been clear on these points. Certainly the Ontario chicken board and the chicken industry in Ontario has always understood our position and has been in agreement with it.

Mr. Riddell: You should have gone down and shown your weight, not just send some civil servants. You should have gone down, Lorne, that's your responsibility.

Mr. Deputy Speaker: Order.

Hon. Mr. Henderson: I appreciate the member's comments, Mr. Speaker. They are well accepted.

I have now been informed that in hearing this appeal yesterday the National Farm Products Marketing Council committed several serious errors in procedure to which our representatives took strong exception. The council, after having decided to allow our legal counsel, John McMurchy, the right to be present while the national chicken agency defended its position in order to be able to respond to the agency's position, later reversed itself and excluded all of our representatives from the room during the agency presentation. This is contrary to any concept of natural justice.

[10:15]

Of even greater concern was the behaviour of one council member, Mr. Adrian Levesque of New Brunswick, who early in the proceedings clearly stated he had made up his mind and left no doubt in the minds of our representatives that he was opposed to Ontario's position. This is unacceptable behaviour on the part of a member of a body given the responsibility of settling disputes.

CHILDREN'S LAW REFORM

Hon. Mr. McMurtry: Today I will be introducing for first reading only the Children's Law Reform Amendment Act, 1979. This bill is a further step in our program of family law reform and expands the Children's Law Reform Act, 1977, which abolished the status of illegitimacy.

The bill represents a comprehensive reform and consolidation of child custody law and procedures in order to strengthen and elaborate the principle that the best interests of the child should be the focus of legal proceedings in a family dispute about custody of the child. Included in these reforms are extensive provisions for the enforcement of custody orders and deterrence of child abduction. The bill also cures a small but important problem with respect to the rights of parents to administer their children's property. It re-enacts in modern language the provisions of the Infants Act concerning disposition of children's property and permits a limited revival of the power to provide for custody by will.

At present, the Ontario law relating to custody disputes is very fragmented. There are two statutes, the 50-year-old Infants Act and a single section of the Family Law Reform Act, 1978, and two sets of court procedures, one for the Supreme and county courts and one for the family courts.

In addition, the courts have made a number of innovations in recent years to serve the best interests of the child. Accordingly, one of the primary purposes of this bill is to provide through legislation uniform powers and procedures, so far as possible, in all courts hearing custody matters.

I would like to highlight just a few of the many provisions of the bill.

While the concept of the best interests of the child is universally accepted, it is sometimes difficult to assess what factors are most relevant in determining the best interests of the child in individual cases. To ensure no significant factors are overlooked, the bill provides that in determining the best interests of the child the court is to have regard to a list of seven factors, including the love, affection and emotional ties between the child and the members of the family; the views and preferences of the child; the capacity of the parties to meet the needs of the child; the stability of his current home environment and the proposed home environment; and his natural relationship to the parties. The ability of the court to make the best decision on behalf of the child is directly related to the amount of relevant information available to the court.

While the evidence presented by the parties will continue to be the main source of information, the bill also specifically recognizes the right of a child to make his views and preferences known, permits the court to obtain assessment reports, streamlines the system under which reports of the official guardian are provided and allows the court to interview the child.

To reduce the amount of time a child must exist in a state of conflict and uncertainty pending final determination of the dispute, the bill requires that as a general rule the hearing should be completed within six months.

As members know, in custody cases there is no matter of greater concern to the people of Ontario than the problem of enforcing custody and access rights and preventing one parent from abducting the child from the other parent. A major portion of this bill is therefore devoted to these problems.

While Ontario is without power to enact legislation that will govern Ontario residents while they are in other provinces or countries, we have taken a number of steps to strengthen the enforcement of custody orders in Ontario and to make it more difficult to remove a child from Ontario unlawfully.

In this regard, under the bill a court would be permitted: (a) to order third party supervision of custody and access rights; (b) to appoint a person to mediate custody and access provisions; (c) to order one party not to harass the child or another party; (d) to punish contempt of court orders; (e) to direct a peace officer to apprehend a child who is being unlawfully withheld from the person entitled to custody or access; (f) to order public agencies to disclose the address of a person in breach of an order; (g) to order a person to surrender his or her passport while exercising custody or access rights; and (h) to order that a person provides security when he or she proposes to remove the child temporarily from Ontario.

While these provisions will make it more difficult to remove the child from Ontario, a second set of provisions will make it more difficult for parents abducting children in other jurisdictions to bring the children to Ontario to seek a new custody order here. This second set of provisions is based on a refinement and expansion of the uniform extraprovincial custody orders enforcement act, now in force in eight provinces.

Under these provisions, Ontario courts will be required to enforce custody orders made in other jurisdictions, except where the child is in danger of serious harm. This will deter kidnappers from breaching custody orders in other provinces and bringing the children here in hope of gaining a favourable order from an Ontario court. Furthermore, if there is no custody order in another jurisdiction, Ontario courts will be directed not to make a new custody order unless the child is habitually resident in Ontario.

Mr. Deputy Speaker: Order. There seems to be a number of private conversations that are rather noisy.

Hon. Mr. McMurtry: Rules are prescribed for the determination of habitual residence. Among other things this will deter parents from abducting the child before or during court proceedings in another jurisdiction.

With respect to the guardianship of children's property, the bill clears up an uncertainty in the law. It provides that where a child becomes entitled to an amount of money less than $2,000 and no other provision has been made for receiving and administering the money—lottery winnings are an obvious example—the parents may act as trustees of the money.

The final point I wish to mention concerns the problem that arises when both parents, or the sole parent with custody, die before the children have reached the age of majority. Everyone will recall the sad case of the children who were orphaned a few months ago when their parents were killed in a traffic accident. This bill will recognize the right of parents to make provision in their wills for the custody of their children in the event of such tragic circumstances.

This bill brings up to date and consolidates existing law and practice. It is also the most modern and comprehensive provincial custody statute in Canada. It is fitting then

that it be introduced now in the International Year of the Child.

As with other family law reform legislation, we realize that where law touches fundamental rights and responsibilities within the family there ought to be full opportunity for study and discussion. By introducing the bill at this time, we will be able to benefit from informed public comment and make any amendments or elaboration necessary before reintroducing the bill next session.

ORAL QUESTIONS

FEDERAL ELECTION

Mr. S. Smith: Just before asking my question, I want to tell the Premier, with regard to our small wager, that I think it's only fair that I give him some opportunity to recoup, perhaps on the next Tiger Cat-Argonaut game, provided he promises me he'll bet on the Argonauts. If I have that promise we'll let it ride until the football season, but only the regular season game.

Interjections.

Mr. Deputy Speaker: Order. Oral questions. The Leader of the Opposition.

Mr. S. Smith: Mr. Speaker, you've been in caucus. You know what these things are like.

I would ask the Premier a question, Mr. Speaker. Is it the Premier's intention to do as he did last time and, in the coming election while he is Premier of Ontario, support Mr. Clark in the federal election campaign?

Secondly, in his capacity as leader of the Ontario Conservative Party, is it his intention again to place the facilities of the Ontario Conservative Party at the disposal of the federal party during this election?

Hon. Mr. Davis: Mr. Speaker, to answer that question takes a few moments. One has to trace the chronology and my own political outlook on life. I know it's different from that of the Leader of the Opposition.

Replying to the second part of the question, the Progressive Conservative Party of Ontario has never endeavoured to dissociate itself from the Progressive Conservative Party of Canada. It is fair to state that since I have been in political life, I have always felt if one is a Progressive Conservative, one has a certain loyalty to one's national leader. One doesn't quietly say to one's friends, "I would like to get rid of the national leader"; one doesn't go to a public meeting at OISE and say, "It would be a great service . . . "

I make no bones about it. I supported John Diefenbaker and I make no apologies for it, that happens to be our system. I don't go up to OISE and say Pierre Elliott Trudeau would do a great service to Canada if he were to resign. I even suspect the Leader of the Opposition himself voted for Joe Clark. That is the information I get. I suspect he did.

I say this very kindly to the Leader of the Opposition. His noninvolvement, his calculated noninvolvement, in the last federal election by its nature was an implicit support of the Prime Minister of Canada. No question that is the way it happened.

I made it quite clear the Leader of the Opposition was supporting Joe Clark in his own way. Don't let him try to kid anybody about that. He was trying to dissociate himself from Pierre Elliott Trudeau.

If the federal Liberal caucus determines within the next hour or so that Pierre Eliott Trudeau is going to lead the honourable member's party nationally into this election, I am interested in knowing is the Leader of the Opposition going to by implication once again support Joe Clark? That would be a very fair question to ask.

Mr. S. Smith: What nonsense.

Hon. Mr. Davis: Oh, come on. The member opposite has lost more credibility in his own party by his manoeuvrings in the past eight to 10 months than he would like to believe. He really has. I happen to know.

The other thing I was asked by the press, and very properly so, concerned Mr. Clark and I. The government of Canada and the government of this province have disagreed on energy policy. No question about it. I campaigned for Mr. Stanfield when the main plank in his platform was wage and price control. I wasn't personally committed to that policy. He was our national leader. I campaigned for him and in spite of some of the reports in the press, I actually spent more time campaigning for Robert Stanfield than I did for Joe Clark. No one asked me when Bob Stanfield lost what my point of view was—did I feel that my participation had some impact?

What is intriguing is some very few months after the same party opposing Mr. Stanfield said, "No way will we have wage and price control," they introduced it.

People's memories aren't as short as the Leader of the Opposition would like to think. What had happened last evening, and I make this abundantly clear, was total irresponsibility on the part of the Liberal Party of Canada and the New Democrats.

My view on energy policy has not changed. We disagree, but I am a Conservative and I remain a Conservative and my support will

be for the national leader of our Progressive Conservative Party, yes.

Mr. S. Smith: The Premier has finally, at the end of that somewhat rambling speech, admitted he will once again put his Conservatism and his affiliation with the party ahead of what I consider to be his responsibility as Premier of the people of Ontario. He has, at the very least, done me the favour of answering the question, an unusual event in itself in this House. I will, therefore, answer his question and let him know that, given the fact his federal leader—

[10.30]

Mr. Deputy Speaker: Order. This is question period.

Mr. S. Smith: Yes. Is the Premier aware that, given the fact the Premier's federal leader has already made known his policies to Ontario which would result in billions of dollars being shifted from this economy into that of Alberta and into the coffers of the oil companies; given that we know we will have interest rates which in themselves and along with energy prices will lead to a two per cent increase in inflation; and given that tens of thousands of Ontario jobs will be lost as a consequence of his federal leader's party policies, I can assure him I will be there to support the federal leader of the Liberal Party and to defeat Joe Clark.

I want the Premier to answer the question, how can he justify supporting those policies when he has stood and postured in front of the television cameras saying it will be harmful to Ontario's economy? As soon as the bell rings, the old war horse is out there again because the political party is more important than the province of Ontario.

Hon. Mr. Davis: The answer to that is quite obvious. Firstly, there are very few things I would say I acknowledge. The Leader of the Opposition has far more talent than I, but when it comes to posturing he gets the medal. No one deserves it more. I think yesterday was the great example.

May I just trace a little history for the Leader of the Opposition, Mr. Speaker. He is concerned about the shift of resources. I would ask him to please go back to 1973-74 when the Liberal Party in Canada started us down this road; calculate the billions of dollars that have flowed from 1974 until 1979; take a look at the person who heads the leadership, whatever it is—heritage fund, the former Minister of Energy who may even yet be leader of Canada. Remember his commitment to world price.

The truth of the matter is, the Liberal Party of Canada has endorsed our policy on energy since it became the official opposition. Its policy on energy was world price, like that of the party opposite. It did nothing about distribution and when those federal members talk about energy in the next two months their position will be less than credible because people will not forget they started us down this road. The provincial Liberals will have trouble supporting it.

Mr. T. P. Reid: Supplementary: Given all the problems my leader has already talked about, does the Premier recall those prophetic words of his in Ottawa about nation building being more important than province building? Really, if there is one thing for which Clark should be done away with, it is the balkanization of the country.

How can the Premier in reality support Mr. Clark and the federal Conservative Party which has done more to destroy Canada than anybody ever thought possible in six months?

Does he recall his words about building the nation rather than the provinces?

Hon. Mr. Davis: Mr. Speaker, not only do I recall them, but the members opposite won't believe them; they happen to be my own words.

I am concerned, but I have to tell the member, if he looks into history once again, the people of this country defeated his former friend just because they were permitting that position to take place. Don't let him tell me that the Liberal Party of Canada hadn't created some of these problems. Don't let him tell me the Liberal Party of Canada—

Mr. T. P. Reid: They didn't sell out to Alberta and Newfoundland.

Hon. Mr. Davis: Look at some of their policies. Look at some of the policies that created the divisive feelings in this country. Just look at them. Why does the member think people voted against them last May? One of the reasons is because of their policy with respect to national unity. Without any question that was one reason the voters in this province rejected Pierre Elliott Trudeau. There is no question about it. Wait and see if he is the member's federal leader.

Mr. Deputy Speaker: Order. New question; the Leader of the Opposition.

Mr. S. Smith: I will ask another question of the Premier. I was enjoying this private discussion, Mr. Speaker; that's very, very unfortunate.

MANUFACTURING GROWTH

Mr. S. Smith: Can the Premier explain to this House how it is that in Ontario between the years 1971 and 1977 the value of ship-

ments and value added per capita in manufacturing—in terms of the growth in that very vital matter, which is per-capita growth in manufacturing value added—Ontario ranked 10th among the provinces of this country? How did it happen that while he was there as Premier, Ontario allowed its growth in manufacturing to become the lowest in this country when manufacturing is the life blood of the province?

Hon. Mr. Davis: Mr. Speaker, the honourable Leader of the Opposition is playing games. First, it is not factually correct in that sense of the word. Second—

Mr. S. Smith: I have the figures.

Hon. Mr. Davis: Let me finish.

Mr. Deputy Speaker: Order.

Hon. Mr. Davis: The Leader of the Opposition is comparing as he so readily does, apples and oranges or, say, apples and eggs. The reality is that in the manufacturing sector in this province in the past three to four years we have had a far more significant growth in jobs created because of the policies of this government. We have been able to maintain a healthy economy in spite of the pressures internationally and even internally, in spite of the predictions of some, in spite of the activities and the criticisms of the honourable member and his colleagues.

Just look at the employment figures—an increase of 145,000 jobs over a year ago. The Liberal members said it couldn't be done; they are disappointed it has been done. They have been nonsupportive of those measures that have created an economic climate here which in spite of the difficulties has been better than in most other comparable jurisdictions.

This province has done well, extremely well, and is going to continue to do so because of men like the Treasurer (Mr. F. S. Miller), the Minister of Industry and Tourism (Mr. Grossman), the very enlightened group sitting on this side of the House and we are going to be here for many years yet to look after the interests of the people of this province.

Mr. S. Smith: Supplementary: I am sure the Premier would agree with me that without sufficient growth in our manufacturing sector Ontario is never going to be able to solve its economic problems in the 1980s. I am sure we share that view.

Since growth in the economic sector of manufacturing is vital to this province; since it is most reasonably measured in terms of value added per capita, I ask the Premier again, how does he account for the fact that the growth from 1971 to 1977 in Ontario was 79 per cent, which ranked 10th of all the provinces in Canada? How does it happen that we rank 10th in Canada in terms of manufacturing growth? It is not good enough to say we have no oil. Germany has no oil, yet they do very well in manufacturing. Why are we 10th in growth in manufacturing when our future depends on manufacturing?

Interjections.

Mr. Deputy Speaker: Order.

Hon. Mr. Davis: Of course the Leader of the Opposition wants to deal in percentages. He really has to look at the base upon which the percentages are calculated. I guess I am one of those people who doesn't deal solely in percentages, I deal in human terms. In human terms the number of people now employed in the manufacturing sector is substantially higher than it was a year and two years ago.

Certainly we have difficulties in the competitive environment of the world economy. Certainly there is a greater pressure on our manufacturers and one reason is because of the unenlightened economic policies of the former government in Ottawa. In spite of them, we have done relatively well in this province.

We are going to do well in the 1980s. I know the Leader of the Opposition would like to say we aren't. We are. We are going to have economic growth; there will be increases in manufacturing; there will be more job opportunities. Thank heavens we will be able to do it in spite of his criticisms and his negative approach, his unhappy nature with the world, his belief the government can never do anything right. Does he know the great mistake he makes with his own party? If on some occasion he said—

Mr. S. Smith: You don't know why you are 10th. You can't explain. Tenth is last and you are last.

Hon. Mr. Davis: That's fine. But we are still, in terms of the manufacturing sector of Canada, by far the most significant.

Mr. S. Smith: And we are going down.

Hon. Mr. Davis: Oh, we are not heading down. We are going to do very well. He can use all the statistics he likes. I give him one word of advice. We are getting very close to Christmas. He would be far more credible in the eyes of his colleagues and his own caucus if he were on occasion to acknowledge that the government of this province does some things right sometimes. I know he feels that to be in opposition his job is nothing but to criticize. He is making a fundamental

error. He is making a great mistake. It's factual.

Look at the figures, for example, 145,000 jobs, in spite of what the member for London Centre (Mr. Peterson) predicted and in spite of what the Leader of the Opposition predicted. What we have done to stimulate economic growth is there in the figures. Ask those 145,000 people who were not employed a year ago.

FEDERAL BUDGET

Mr. Renwick: Mr. Speaker, I have a question for the Premier. We here in this party, of course, don't have any problems in supporting either the leader of our party or the policies of our party.

Hon. Mr. Davis: Where is he today?

Mr. Renwick: He's out winning votes for us.

Mr. Deputy Speaker: Order.

Mr. Renwick: As the federal election campaign will be fought on the Crosbie budget proposals and as this government has significant differences of opinion with respect to those budgetary proposals and, in particular, with respect to the price of fuel in Ontario and energy prices generally, will the Premier intercede immediately with the Prime Minister of Canada to ask him to suspend those proposals until such time as those proposals have been rejected or approved by the people of Canada in the federal election?

Hon. Mr. Davis: I acknowledge the statement of the member for Riverdale that he has no problem with his national leadership. I sensed he confined it to the national leadership. I understand that and I respect that. Perhaps he would like to expand it to his provincial leadership. I don't know. Perhaps it wasn't an accident that he mentioned only his federal leadership.

Mr. Renwick: It's a federal election campaign.

Hon. Mr. Davis: I see and I acknowledge that the member for Riverdale has no problem. I think the public of Canada will have a problem with his national leadership, but that's only my own assessment.

Interjections.

Mr. Deputy Speaker: Order. I am sure the Premier wants to answer the question.

Hon. Mr. Davis: I certainly do. What was the question? The member for Riverdale is really an old pro. I don't say that unkindly. I say that respectfully.

Mr. Peterson: Did you say goat?

Hon. Mr. Davis: No. I said an old pro.

I don't know what ultimately will be the issues. There is no question but that the budget will be one of the issues. I think the member also knows that ultimately the people of this country will be making their judgement, based upon that party and that leader they genuinely feel can best administer the affairs of this country. It's a very difficult period. I don't think the budget in itself is going to be the sole or single issue. There are some parts of the budget with which we disagree. We have made that quite clear. There are some parts with which we do agree. I think even the member for Riverdale must agree with a few of the things contained in the budget.

As I recall the budget, in terms of energy the budget makes it quite clear that the agreements with respect to next July and October have not been finalized. The budget made it quite clear that the agreement that is in place and which we accept is for $1 on January 1. We take no exception to that. That is part of the agreement, and we find this reasonable. The only area that really directly relates to it is the excise tax which is in place and which, in my view, the government of Canada is not going to alter.

Mr. Renwick: Supplementary: If I may revert to the early remarks of the Premier about an election, perhaps he would like to have a parallel election in Ontario at the same time. Then we could see whether or not we have the support of the people in the province, both for the leader of this party and its policies.

Mr. Deputy Speaker: That almost sounded like a new question.

[10:45]

Mr. Renwick: Mr. Speaker, by way of a supplementary question: At the risk of asking the Premier to reiterate what he has said, do I understand the Premier is going to take no steps of any kind to intercede with the federal government, to have them suspend, at least, the 18-cent increase in the excise tax on transportation fuel?

Hon. Mr. Davis: Mr. Speaker, we have already made our point of view known. I did it the night of the budget; the Treasurer did so again yesterday.

With respect to the member's previous observation in that nonpart of the question, if his leader really wants to test the water, believe me, we are ready. I give the honourable member some advice to pass on to his leader. He would be ill-advised to do so.

I know why the member suggests it. He still has aspirations. He would like to replace his leader when they are defeated.

GAS AND OIL SUPPLIES

Mr. Renwick: Mr. Speaker, my second question was to the Minister of Energy, but I will put it to the Premier.

I have had an opportunity to look at Bill C-42, the emergency legislation with respect to the allocation of energy supplies, and while there is provision in the bill as to what will take place when there is no Parliament in existence in Canada, will the Premier arrange with the Minister of Energy (Mr. Welch), or himself make a statement in this assembly before the prorogation of this session next week on the contingency plans of this province and of this government on the allocation of energy supplies of all kinds, particularly petroleum products in the event that during the dissolution of Parliament any impending shortage should develop?

Hon. Mr. Davis: That is a very fair question, and I shall—or the Minister of Energy will—reply to it early next week.

Mr. Riddell: Supplementary: While we are dealing with that allocation of energy, would the Premier also see that agriculture and food production and processing is put back into category A as being essential, rather than drop back to category B with garbage collection and snow removal? That is where agriculture and food production and processing is. Would he see that it gets back up to category A?

Hon. Mr. Davis: With this government, the agricultural community has been in, is in, and will always remain in category A, for everything.

REDIRECTED QUESTIONS

Mr. R. F. Johnston: A point of order, Mr. Speaker: It concerns the redirection of questions by ministers in the absence of ministers who are deemed to be more prepared to respond. There seems to be a tendency for these redirected questions never to be answered and I would like some direction.

Last Friday, I asked a question of the Minister of Intergovernmental Affairs (Mr. Wells), on the Gabrielle Roy school problem and the need to support the French advisory council in the city. The minister replied, "I think that question should be directed to my colleague, the Minister of Education (Miss Stephenson), who has responsibility for those matters and I am sure would fully answer the member's question."

It has been a week and I have had no reply, Mr. Speaker. I feel it is unreasonable for me to continue to ask the question and take up my colleagues' time when they have questions they would like to ask. What recourse do we have and what assurance do we have that redirected questions are actually redirected and will be answered?

Mr. Deputy Speaker: In reply to the member for Scarborough West, to my knowledge there is nothing in the standing orders pertaining particularly to questions asked during question period on how and when a minister should or should not answer the question. If they are redirected, or the advice is given that the minister will be given notice of the question, it is entirely up to the minister to reply at his or her convenience, or it is up to the member to ask the question again.

IMPORT GRADING

Mr. McGuigan: Mr. Speaker, I have a category A question for the Minister of Agriculture and Food. In view of the Supreme Court of Canada ruling yesterday that a retail store in Toronto cannot be charged under the Canada Agricultural Products Standards Act because grade standards are covered under provincial laws, would the minister look to see what this ruling does to other provisions of the CAPS Act?

I'm thinking particularly of the requirement that imported products be marked with the country of origin. Because of the interregnum we have in Ottawa does this ruling demand that the provincial government bring in an emergency amendment to the Farm Products Marketing Act or the fruit, vegetable and honey act so that imported products would be covered by enforceable provincial law to require that imported products be marked with their country of origin?

Hon. Mr. Henderson: We will take a look at the suggestion, Mr. Speaker.

Mr. Riddell: Supplementary: No doubt the minister will recall questions asked in this Legislature regarding the importation of chicken and its labelling as a product of the United States.

Hon. Mr. Henderson: I recall every word quite well.

Mr. Riddell: The answer we received was that came under federal legislation. Since the recent event that has taken place in connection with this hearing on apples, could it be possible that the labelling of chicken from the States now comes under provincial legislation? Would the minister look into that?

Hon. Mr. Henderson: Mr. Speaker, I think I responded to the member for Kent-Elgin that I would be looking at that.

Mr. MacDonald: If the minister is going to look into this issue again, why is he looking into it when he flatly asserted, in reply to the question with regard to imported chickens, that packers and processors often handle imported and Ontario poultry at the same time, making identification very difficult? He said identification at the packer/processor or retail level would mean incorporated cost in labour and packaging which will be passed on to the consumer.

In other words, the minister made excuses for the total dismissal of his own foodland program which is going to identify imported products.

Hon. Mr. Henderson: We're not making any reasons for not doing it. The member for Kent-Elgin suggested there was a court decision yesterday. I have said we will look at that court decision and we will decide if we, as a province, should proceed down the lines he suggested.

I have been told there was a court decision yesterday and that always makes us open up an issue and take a look at it.

ENERGY EXPORTS

Ms. Gigantes: Mr. Speaker, I have a question for the Premier. Now that we have Mr. Clark's attention again, will the Premier tell him that he should advise the National Energy Board that no new exports of natural gas should be allowed until a new government is chosen by the Canadian people?

Hon. Mr. Davis: Mr. Speaker, I think that decision has already been made. I expect that the member's national leader will see certain opportunities during the next X number of days to explain his own point of view, which probably would be slightly different. I expect he will do that, but the decision has been made.

Ms. Gigantes: Could I ask a supplementary? Because the Ontario Energy Board rate rulings have already taken into account the cost of extending the gas distribution systems, would the Premier tell Mr. Clark during the next two months in a prepared and substantial position paper the reasons why Ontario feels that natural gas prices should be unpegged from future oil prices and why incentive pricing of natural gas should benefit consumers rather than gas distribution companies?

Hon. Mr. Davis: Mr. Speaker, with respect to the latter point, we intend to do so. With respect to the former point, it is not just the government of Canada's determination as to whether or not the price of natural gas is unpegged from the price of crude. The government of Canada must do this in conjunction with the producing provinces—which are not exclusively confined incidentally to the province of Alberta—but where there is some sort of philosophical point of view on the energy issues in that great province of Saskatchewan, where the member has philosophical followers who've taken an approach not dissimilar to Alberta's on many of these issues, which Mr. Broadbent may have to explain when he's visiting some parts of Canada.

Mr. J. Reed: Could the Premier indicate when he's going to take a position like this, understanding the importance of the future distribution of natural gas to the people of Ontario? When is he going to do it?

Hon. Mr. Davis: What position?

Mr. J. Reed: The position on the unhinging of the price of natural gas.

Hon. Mr. Davis: I don't know where the member for Halton-Burlington has been for the last six months. We have taken this position time and again. He should read the papers; read the documentation. We have argued for the unhinging or freeing of the price of natural gas from crude oil for months. We did it at the time when natural gas became in surplus.

Mr. J. Reed: Are you going to go to the Prime Minister now—

Hon. Mr. Davis: Oh come on. The member should grow up. He knows it, the government of Canada knows it, everyone knows the position we have taken with respect to the price of natural gas being freed from the price of crude. Everybody knows it. The Prime Minister knows it, so does the member.

CHICKEN QUOTAS

Mr. G. Taylor: Mr. Speaker, I have a question for the Minister of Agriculture and Food regarding his statement this morning on the allocation of chicken quotas.

Because there is an increase of 230 million pounds and the minister is sending a representative to the meeting, how much of that 230 million pounds over the base rate, which had a 50-50 split earlier, does he think is warranted for Ontario's share.

Hon. Mr. Henderson: It is not the amount that should be allocated to us, it is the method that is to be used. It was taken by the board that it be split right down the centre. The original agreement, section 8, reads:

"It is further agreed that the agency shall establish annual provincial allocations and

when considering future provincial marketing allocations shall use the following: (a) any significant change in the consumers' demand; (b) the ability of the province to meet its allocation production; (c) the total market requirements within each market area; (d) the proportion of market demands in a province which is met by production in that province; (e) the comparative advantages of production and marketing of the chicken."

All of those guidelines were completely ignored when they set out the production quotas for Ontario and Quebec. They granted an increase for Quebec by some 18 million pounds and an increase of three million for Ontario. We felt neither the consumption nor production was taken into consideration. They more or less simply equalized the allocation to the two provinces. None of the guidelines was used at all.

Mr. G. Taylor: Supplementary: If there is this increase of three million pounds mentioned, will that do away with some of the 72-hour supplementary permits being used at present to increase production of some local producers?

Hon. Mr. Henderson: We haven't looked at that side of it. We have looked at the overall production and needs of our province. When they made the allocations they did not look at the production ability or at the consumption of the market area.

Mr. Riddell: Supplementary: Why should supplementary permits be given priority when the producers in Ontario can produce all the chicken needed for domestic consumption? Why are we even looking at supplementary permits to bring this chicken in from the United States?

Hon. Mr. Henderson: I didn't know that supplementary permits were a part of that question.

Mr. G. Taylor: Yes, they were.

Hon. Mr. Henderson: Very well. I am aware of one supplementary permit. There may have been one over the last week or two I am not aware of. I am aware of the one two weeks ago.

[11:00]

As I understand it, the national agency went to all areas of Canada, not only to Ontario and Quebec. They went to all the agencies and all the provinces across Canada and they took into account all of the production that was available and found it would only meet half of the needs for that particular week. That is the reason a supplementary permit was granted.

RECRUITMENT OF FOREIGN WORKERS

Mr. G. I. Miller: Mr. Speaker, I have a question of the Minister of Labour—or Santa Claus, I'm not sure which. He did a good job that night too.

Is the minister aware that the Steel Company of Canada Limited is short of skilled labour in trades and crafts and also millwrights and is seeking applications for offshore help?

Hon. Mr. Elgie: Yes, Mr. Speaker, I am aware there are shortages in a variety of industries throughout the province. We have clearly identified, through the appointment of a manpower commissioner and manpower commission, that we intend to address those needs. The manpower commission and the manpower commissioner have now clearly identified their priorities.

The first, in order to allow us to move forward, will be to provide a more adequate labour-market information base; the second strategy will be based upon the skills shortages that are identified.

In the meantime, only after careful scrutiny of all applications for a need to advertise for offshore workers are applications for advertising being accepted.

Mr. G. I. Miller: Does the minister not feel that these people could be recruited in Ontario or in Canada, rather than having to go offshore? Particularly when there are so many plants closing, such as Pilkington Glass and in the auto trades, should we not be making an extensive effort to recruit these people here?

Hon. Mr. Elgie: Mr. Speaker, the Minister of Industry and Tourism could comment in greater detail, but it has been made clear to me there has to be a thorough search made by the Canada Employment and Immigration Commission and that search has to be evaluated by the Ministry of Industry and Tourism and his staff before any approval for advertising offshore can be made.

There is a diligent effort being made to recruit workers within this country.

Mr. Di Santo: Mr. Speaker, in view of the fact that the shortage of skilled workers is determined also by the fact that we don't have enough apprenticeship courses in Ontario, and in view of the fact that this government doesn't seem to have a policy, is the manpower commission also recommending a plan to establish apprenticeship courses? If it is recommending apprenticeship courses, when can we have definite information?

Hon. Mr. Elgie: Mr. Speaker, I have already indicated that the first priority identified is the need for a labour-market information base that would allow us adequately to project the needs and plan accordingly. The second requirement is the identification of the skilled labour shortage and the need to expand Ontario's industrial training base.

In the meantime, I wouldn't want anyone to think that everyone is sitting around. The Minister of Education can indicate very clearly that the number of community industrial training councils increases weekly. I believe it's now up to 44. Since the summer of 1978 I believe there have been four trades regulated in the industrial sector and more are being planned. There are many things under way.

RADIO SHACK

Mr. Mackenzie: A question to the Minister of Labour, Mr. Speaker. Regardless of the decision about Radio Shack, given the clear evidence of serious labour strife over first agreements in Ontario, together with the evidence that even a tough decision by the Ontario Labour Relations Board may still result in the destruction of a workers' union without the authority to enforce a first agreement, will the minister reconsider his position against bringing in legislation for first agreements in the province?

Hon. Mr. Elgie: Mr. Speaker, we had considerable discussion about this last night during estimates and I made it clear to the member that I don't propose to get into any discussions about the Radio Shack decision. In this country, as in all other common-law countries, those are matters that are and should be left for the courts to decide. He and I understand that.

The issue on compulsory first collective agreements also was reviewed. I told him quite clearly I didn't think the jury was in on that issue. I reviewed the fact that in British Columbia since 1976 there have been 60 applications requesting compulsory first collective agreements. Of those 60, nine were accepted. When the second year came around, five unions were decertified and another was never able to reach an agreement. So two thirds of those were total flops.

I realize there is the argument of a deterrent value of the first contract capacity within a labour relations act, but that's a very difficult thing to evaluate.

I understand Professor Weiler's argument on it, but it's not based on any factual review that I'm aware of to support his position.

Mr. Mackenzie: Supplementary: The clear import of my question is will the Minister reconsider his position? Is he telling the House that he will not reconsider his position and that he is not going to bring in first-contract legislation?

Hon. Mr. Elgie: I've made it clear on previous occasions that all of the recommendations contained in the Ontario Federation of Labour brief will be reviewed and considered.

Mr. S. Smith: Supplementary: Given the legacy of bitterness that results from these first-contract disputes; given the tremendous problems which have afflicted so many communities in Ontario, certainly in recent years with a number of these disputes, why should the minister refuse to introduce legislation which would give at least a guaranteed first contract? Why would he try and create such a mentality of warfare, not only at the certification level, but also at the first contract level, and then at the decertification proceedings that seem to occur afterwards in the cases he has just mentioned? That legacy of warfare and bitterness does no one any good. Why doesn't the minister move to accept that we have unions today and to accept that first contracts should be guaranteed?

Hon. Mr. Elgie: I'd like the Leader of the Opposition to clearly understand that on many occasions I have said that I accept, and this government accepts, the position and existence of labour unions in this country. I have a great respect for them. I think they have accomplished many good things in this country and will continue to do so.

However, the member is saying that he has made the decision that first contract compulsory arbitration is the right thing to solve the problems out in society. I am saying I don't accept that the jury is in on that.

Mr. S. Smith: What's the minister's solution?

Hon. Mr. Elgie: I'm saying that we have many initiatives going forth now to try to resolve what I view as inappropriate adversarial relationships going on in society. I will continue to do so. We will continue to review alternative suggestions to improve that situation. I'm simply saying that the member hasn't convinced me that what he is proposing is a resolution to the problem.

LIMITATIONS ACT

Mr. Epp: I have a question of the Attorney General (Mr. McMurtry). He was here just a few minutes ago. I see his books on his desk, I wonder if he's somewhere behind them?

In the absence of the Attorney General I'll ask the Premier the question, Mr. Speaker. I trust the Premier is aware of the court of appeal decision earlier this week wherein the court decided that an individual was precluded from issuing a counter-claim against the government because the six-month limitation period relating to lawsuits against public authorities had elapsed.

The Premier will recall that the government waited until 11 months after the incident at issue to make its claim, thus eliminating the right to counter-claim. I trust that the Premier is aware that under private circumstances the statute of limitations is one year. I'd like to ask the Premier, in the absence of the Attorney General, in light of Mr. Justice Blair's comments in the course of his judgement that the statute of limitations period is in great urgency of reform, whether he will recommend to the Attorney General and to this Legislature that the statute of limitations be extended from six months to two years?

Hon. Mr. Davis: I want to thank the member for Waterloo North for his great trust in the Premier. He trusts I know this, he trusts I know that; of course I do. I am glad he reminded me of it because I might not have remembered it if he hadn't.

On the actual question: Will the Attorney General review, as a result of that judgement, the length of time and the statute of limitations? I will take it up with the Attorney General.

Mr. Epp: Mr. Speaker, I recognize the government has appealed the decision of the Supreme Court of Ontario, which found in favour of the individual, and so the government has an interest in having the present statute of limitation period apply. Nevertheless, given the obvious hardship that was caused to this individual, and given the Premier indicated only a few minutes ago his great concern, in human terms, for the people of Ontario, I wonder if he will recommend to the Attorney General and to this Legislature that if the statute of limitations is extended it be retroactive to apply to this individual?

Hon. Mr. Davis: I will discuss it with the Attorney General. It is a very complex issue, it is very difficult to make any legislation of this kind retroactive to a particular case. Some of the honourable member's friends who practise the law could explain that; there would be some complications, but I will discuss it with the Attorney General.

CHEESE PLANT CLOSURES

Mr. MacDonald: I have a question of the Minister of Agriculture and Food on the Labatts Limited purchase of two of the Warkworth cheddar cheese factories and closing them down.

Is the minister not concerned about this as pulling the rug out, so to speak, from the local economies of two communities in eastern Ontario; and how does he reconcile that with the fact that at almost the same time as this is taking place, the provincial and federal governments are about to sign the eastern Ontario development pact, replacing ARDA, for the injection of $50 million to develop the economy of eastern Ontario?

Why is the minister sitting idly by; or am I wrong, is he going to do something about this? They are destroying the economy in certain places and pumping in public money to build it in others.

Hon. Mr. Henderson: Mr. Speaker, in answer to the honourable member, I am sure he is aware this company has purchased quite a number of small plants in the past and moved the quota to the central plant.

He is also aware the Ontario Milk Marketing Board is looking at this. It is looking at the possibility of not giving any further allocation, so it is not going to be beneficial to a large organization of this nature to establish one large plant. If the plan is completed—as the honourable member well knows, he was at the meeting—if the plan is completed and in operation by the spring, the board will not be making any additional allocation to the larger companies. This will deter the taking over by a larger company of the small cheese companies.

Mr. MacDonald: Supplementary, Mr. Speaker: It may deter in the future, but it isn't deterring two that have been sold and closed down. I want to ask the minister: Is he aware of the rumour, and a fairly reliable one, that Ault Food is going to use these closed-down factories as warehouses for the importation of American produce which will be fed into its distribution system in Ontario?

How do you reconcile that little assist to the undercutting of your whole food land development program which was that we eat Ontario produce rather than foreign produce?

Hon. Mr. Henderson: Mr. Speaker, this is the first time I have been made aware of the last suggestion of the honourable member. We will be looking at it.

Mr. Riddell: How does the minister reconcile the reallocation of milk from the butter processors to the cheese processors when the cheese plants are being closed down?

Does he realize the serious effect it is going to have on such plants as Gay Lea Foods, Stacey Brothers and others if they can't get enough milk to produce butter, skim milk powder, evaporated milk and what-have-you when we don't have a surplus of those products now? How do we reconcile all this?

Hon. Mr. Henderson: Mr. Speaker, if the honourable member has followed developments of the past few months on the milk supply in Ontario and in Canada, he is well aware the dairy farmers did not meet the quota last year, they only met 95 per cent of the quota. Had they met the full quota there would not have been the problem to which he is referring. It is a matter that the farmer must go out and supply more milk than he did this past 12 months.

[11:15]

Mr. Riddell: Is the minister blaming the producer for something that was ill conceived?

Hon. Mr. Henderson: No, I am not blaming anybody. I am suggesting, Mr. Speaker, that there was not sufficient milk produced to go around.

PUBLIC TRANSPORT

Mr. Bradley: My question, Mr. Speaker, is for the Treasurer.

In view of the possible fuel shortage which has been alluded to in this House and in the federal House, and in view of the provisions of the federal budget, specifically the excise tax increase to 25 cents—whether that will remain or not depends on the constitutional experts one talks to—however, in view of these two elements which have really come to the forefront probably in the last month, and certainly the second in the last week, what specific action is the Treasury taking in conjunction with the Minister of Transportation and Communications (Mr. Snow) to ensure the public transportation system in the province is improved so people will have a reasonable alternative to using the private vehicle on every occasion? I would like the Treasurer to respond not only in terms of what the province does directly but also what further considerations are being given to transit commissions across the province in terms of further funding?

Hon. F. S. Miller: First, Mr. Speaker, Ontario, almost by itself, has been pioneering some research in transit, as you know. The Urban Transportation Development Corporation, which is located in Kingston, I think has some exciting projects under way.

Mr. Nixon: But no sales.

Hon. F. S. Miller: Yes, it is very difficult to make sales, because as you know full well that is where we run into the nontariff barriers of countries like the United States. One only has to go back to the Philadelphia tenders and see the strings that are attached.

Mr. Nixon: You have been pumping money into this for six or eight years.

Hon. F. S. Miller: Right; and if it works we will be heroes, if it doesn't work you will be able to criticize us; it has always been the way.

You know, Mr. Speaker, that interjection makes me look at the Latin on my left, sapere aude; freely translated it means, I would say, I am listening to saps. I took a lot of Latin.

Mr. Deputy Speaker: Order. Would the honourable minister answer the question and disregard the interjections?

Hon. F. S. Miller: Yes, Mr. Speaker. I would say you fit much more under the docendo discimus than the sapere aude section.

Mr. T. P. Reid: Non compos mentis is the one that applies to you.

Hon. F. S. Miller: You are probably a Latin student; you must have been something.

Mr. Speaker, in fact it is a serious problem. The first letter I wrote following the budget, the only letter I have written to the federal Minister of Finance, related to the fact he was adding a 15 cent tax to that particular use of fuel. It seemed to me foolish at the very least, no matter what his fiscal problems were, to add a tax to transit when transit had to be one of our major ways to go about saving energy in the future. First of all, I would do whatever I could to see that we encourage Canadians to use it.

I suppose if there is an advantage at all to the tax you referred to, the 25 cent tax, it is that it will surely make rapid transit or any form of public transit more dollar attractive than it was before. That doesn't excuse or in any way justify the 25 cents, but it certainly means a number of people are going to look at the cost of driving private cars and perhaps rapid transit will get some encouragement.

Mr. Bradley: A supplementary: Since many of the local transit commissions are now ordering buses in anticipation of increased usage, and the time limit on receiving them seems to be about nine months to a year from a major supplier, yet there is an Ontario company which can supply at a much faster rate, is the government giving any consideration to some special assistance

outside the regular grants that would go to these commissions, some special assistance in regard to purchasing buses in anticipation of what this government and what the federal government seems to anticipate as a definite crunch coming in terms of energy supply?

Hon. F. S. Miller: Our grant structure, and the Minister of Transportation and Communications will correct me if I am wrong, is roughly 75 per cent for capital purchases. That is a pretty generous grant. It's also fairly heavy on the operating side for a number of the transit commissions. With the great flow of oil revenue going to other provinces or federal authorities, perhaps the federal government also has some responsibility in that field. Perhaps some of that massive cash flow it talks about reinvesting in energy conservation measures should be directed to this area.

SUPERMARKET PRICING AND CHECKOUT SYSTEMS

Mr. Swart: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations. It concerns elimination of the individual pricing by supermarkets on their products. He will recall that on October 19 he said within a brief period of time he would be making a report to this House. Then again on November 23, he said he would be reporting before the end of the session. As it is almost now the end of the session can he make a report today, and if not when?

Hon. Mr. Drea: Mr. Speaker, I said I would make it before the end of the session. Let the honourable member show up next week.

Mr. Swart: I might say that I will be here next week, but I would also add that when the minister is considering that matter for his report, would he pay attention to the study done in the United States by three university professors called A Research Report Conducted for the Ad Hoc Committee of the Grocery Industry for the Development of a Universal Product Code? It was a survey of shoppers which showed three times as many shoppers gave the wrong in-store price in the UPC stores than in the conventional stores; and only 21 per cent in the UPC stores made comparison of prices, as opposed to 32 per cent in the conventional stores.

Mr. Deputy Speaker: Order. I think that makes up the supplementary question.

Interjections.

Mr. Swart: Can I finish my question, Mr. Speaker? I asked will the minister give consideration to this, and in view of this kind of report which is available, will he assure this House he is going to bring in a bill to prohibit the elimination of individual price tags.

Mr. Deputy Speaker: The time for oral questions has expired.

REPORT

STANDING ADMINISTRATION OF JUSTICE COMMITTEE

Mr. Philip from the standing administration of justice committee reported the following resolution:

That supply in the following amount to defray the expenses of the Provincial Secretary for Justice be granted to Her Majesty for the fiscal year ending March 31, 1980:

Justice policy programs, $46,400.

INTRODUCTION OF BILL

CHILDREN'S LAW REFORM AMENDMENT ACT

Hon. Mr. McMurtry moved first reading of Bill 205, An Act to amend the Children's Law Reform Act, 1977.

Motion agreed to.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF TREASURY AND ECONOMICS

(concluded)

On vote 901, ministry administration program; item 1, main office:

Mr. Deputy Chairman: Any further discussion on item 1, vote 901? The honourable member for London Centre.

Mr. Peterson: I would enjoy going to the mat with the Treasurer, Mr. Chairman, if you could find the little squirt. Excuse me, if you could find the diminutive Treasurer, if you could find that steward of the province's finances.

Interjections.

Mr. Peterson: I am just curious, Mr. Chairman, has he sent his surrogate in the name of one of these gentlemen to defend his estimates, Mr. Chairman?

Mr. Deputy Chairman: He may have, if we can be patient and carry on for a moment we—

Mr. Nixon: What do you mean, carry on? How can we carry on with the estimates without the Treasurer?

Mr. Peterson: Is it guilt, Mr. Chairman? What is it that can possibly keep that man

out of this chamber at this time? I could tell funny stories, Mr. Chairman.

Mr. Deputy Chairman: You may proceed. I don't think there's anything that necessarily requires the minister to be here.

Mr. Peterson: Mr. Chairman, that's an excellent point you make; perhaps we would accomplish more if he wasn't here. However—

Mr. Deputy Chairman: You have the floor.

Mr. Peterson: I must say you are the authority on the House rules, and if that is your ruling as chairman, that the ministers don't have to be here to defend their estimates—

Mr. Nixon: Here is the answer to all of our problems.

Mr. Peterson: Then of course I will accede. I am very happy to see him. Is that pink pills for pale people you are taking now? Perhaps he was out changing his socks for the estimates, Mr. Chairman.

I gather this is the last session we have with this gentleman, and there are a number of things I would like to ask before we discuss the significant issue, the budget of Tuesday night and the Treasurer's response thereto. I would just like to put a few suggestions to the Treasurer on matters I already have discussed at some length and on which I wasn't particularly happy with the responses.

Maybe we could just have a little dialogue about the question of tax expenditures I was one who was very encouraged with the late John Crosbie's introduction in the House of a tax expenditure study showing what has been spent. It has been revealed, according to his figures, that we have spent something like $32 billion in tax expenditures—was it $32 billion or $30 billion? I thought it was $32 billion but I stand corrected if that's the case. Would the minister be prepared to do a similar kind of study in Ontario so we can have enlightened dialogue on this very real question?

As you recall, I introduced in this House private member's legislation to force a study of tax expenditures. I don't believe that bill was ever debated. It is something I would like to bring back, though, because it does bring to light an area of policy in the financial field that hasn't been fully and well discussed historically and I think it's time to engage in some of those discussions. I would like to see a study of tax expenditures, to show what it is costing the province and what are the benefits flowing therefrom. Would the minister be prepared to do that?

Hon. F. S. Miller: It's an interesting point, Mr. Chairman, and I would like, seriously, to think about it. I don't have any basic reason for not doing so. I am told that a couple of years ago we had a staff paper called The Scope of Fiscal Policy in Canada, which looked into certain issues. I am not sure it contained the data you are asking for. Let me take that as a suggestion without saying I have accepted it; let's say I am leaning more towards saying, "I see no reason why we shouldn't."

Mr. Peterson: We are making a little progress. The minister is very conciliatory this morning. I am glad he made it back from the scrummage in the hall.

As you recall, we did introduce an amendment two or three years ago on the fast write-offs of production machinery, asking for a new study. It was a worthwhile point of view, as were the minister's studies, with questionable conclusions, about the first-time homeowners grant and the cut in sales tax and that kind of thing. If he intends to embark upon that kind of a program again in the future, which he obviously contemplates at election time, at least we will have some information on which to make those kinds of decisions.

[11:30]

Hon. F. S. Miller: That will do you for a couple of years, you mean.

Mr. Peterson: You may just need it next week. You better start thinking about that kind of thing.

The SBDC we discussed a little bit. I remember our discussions very well. You weren't sure about how it was going to work and I wasn't sure, I made some reasonably dismal predictions. It is probably not quite as bad as I predicated, but it is reasonably bad. You have had investments of what, $400,000?

Hon. F. S. Miller: Yes; and commitments of a lot more.

Mr. Peterson: I don't know what they are and you don't seem to know what they are. I understand the commitments were $432,000 something.

Hon. F. S. Miller: That's the actual cash invested.

Mr. Peterson: That's the actual cash in eligible investments?

Hon. F. S. Miller: Yes.

Mr. Peterson: Okay, so the transfers in the province were 30 per cent of that; really it is peanuts.

Hon. F. S. Miller: Let me correct you a second. If I recall the legislation—and we are

looking for the data sheet which could give us the exact figures, somewhere around here we have it—the cash the province pays, the 30 per cent, is paid as the investor's money is placed in the SBDC, not when the SBDC invests it in an eligible small business.

A number of corporations have been formed, several of which have requested the full $5 million authorized capital level. The list I read off the second day we were talking, totalling whatever the figure was, $450,000 or whatever it was so far invested —and that sounds low to me but it could be right; four, five, seven are digits that come to my mind—those were the actual investments by SBDCs from their capital into eligible small businesses.

Mr. Peterson: That's what I said.

Hon. F. S. Miller: Okay, but that is not quite the same as the 30 per cent. The province pays the 30 per cent when you, a shareholder, puts your money into the SBDC, not when the SBDC put it into an eligible small business. You may recall when we debated the legislation we talked about what happened to that. There is a complex formula where three sevenths of your investment is released from the trust fund each time you put your money into an eligible small business, because three sevenths of the company's capital is in the trust fund, which is the money the province gave them.

Mr. Peterson: How much has the government actually paid out?

Hon. F. S. Miller: The Ministry of Revenue administers it. I can't give you that figure. If one of my staff can get it in the next few minutes I will be glad to put it on the record.

Mr. Peterson: Have you studied the SODEQ, the plan of Mr. Parizeau, which differs quite substantially from your own plan? Have you studied that one? I would like to hear your views on that, and whether you feel that may or may not be a more satisfactory kind of approach to this question. It reaches a little different marketplace; it is aimed particularly at higher income types.

He had a different kind of problem he was trying to solve, getting the tax differential down because of the discriminatory tax load Quebec residents carry. I understand all of that, but as an investment vehicle, as a vehicle to encourage research development, stimulate new enterprise in the province, apart from the investment in public companies one can make in Quebec, have you studied the effectiveness from the point of view of creating new enterprise?

One of the things we talked about at the beginning was that I wasn't sure the SBDCs, and I am still not convinced, were going to be a stimulus to new enterprise and capital investment in new kinds of businesses, but were just going to be an alternative source of funding for businesses that could survive on their own. I was quoting Wayne Beech, who didn't take the point of view that his company should be investing in new enterprise as much as in established enterprise.

Have you studied the Quebec example to find out which is more effective to accomplish the aims I articulated? I am paraphrasing you because your fundamental objective is the same objective I have.

Hon. F. S. Miller: During the pre-budget discussions last year, the SODEQs were in place in Quebec. There were two of them in existence at the time, that is my recollection. The independent small businssmen who came to see me referred to them, talked about them in glowing terms and suggested that Ontario take a good hard look at the SODEQs. Staff had been looking at them, but they followed the advice of that group and looked at them some more.

I wish I had the kind of money that would allow me to recite all the pros and cons of the SODEQs versus what we eventually ended up with, but some of the things that come to my mind are, for example, that they could invest in loans rather than only in equity.

Mr. Peterson: Which I urged you to do.

Hon. F. S. Miller: If the member recalls though, again going back to our debate, an SBDC is limited to having 70 per cent of its available capital in an eligible small business, and it must maintain that on average. The other 30 per cent is available to be put out on loan or invested in some form not required by the basic 70 per cent.

Mr. Peterson: But that is not necessarily debt in a small business?

Hon. F. S. Miller: Not necessarily, no. It could have been in a certificate of deposit in a bank.

Mr. Peterson: That is my whole problem. I want to get that debt into—

Hon. F. S. Miller: Let me say I'd be pleased to compare again the progress over the past year in Quebec with their SODEQs and in Ontario with our SBDCs. The member will find the SODEQs were about a year old.

Mr. Peterson: Six months.

Hon. F. S. Miller: Okay, in effect we're really six months old with ours right now.

We had 18 the last time I was given a figure. We certainly have more being discussed, because I have been involved in discussions as to whether the spirit and intent of our legislation was being accomplished by the aims and objectives of some about-to-be incorpodated SBDCs.

Let me say that the ingenuity of the investment community, which I have always admired, comes to the fore when I see the ways they are considering using SBDCs. All I have to do is assess whether it's accomplishing the goals we talked about here; I think it is.

Up to the point where this piece of paper was prepared, and I don't know how many days ago that was, this is a week or so out of date, there were 18 SBDCs. Those SBDCs had issued $2,151,200 worth of capital. Grants and tax credits paid or payable to them came to about $645,000. Now of that only $323,600 had been paid.

Mr. Peterson: I hope it works. I said that then and hope it now. As I suggested then, there are different ways to handle it, and I probably would have handled it differently. I like the concept. I assume your staff is doing ongoing reviews of the efficacy of this. I guess there's no way to get to the minister before next year's estimates, but if he is doing a staff paper, an internal review, this is not a great partisan issue and I would be most grateful if the minister would share that with me. It's one of those things that everyone in the House wants to see work and wants to have work properly; we're all trying to make constructive suggestions to that end.

Hon. F. S. Miller: Can I just say one more thing if we're changing topics? Are you going on with SBDC any more?

The Northwestern Ontario Chamber of Commerce, the member may recall, came in to see the cabinet about two weeks ago. In their presentation they suggested that there were few, if any, SBDCs in the north. I'm not sure that's true by the way, they may have thought there were none; however, the money certainly is going to the north, to at least three that I've followed.

They've suggested that one of our dreams, that there would be small SBDCs in local northern Ontario communities owned by a few local residents, wasn't happening in the north because of the $250,000 as the lower limit for the capitalization. They suggested that it needed to be $100,000 in the north. I told them I was favourably disposed towards that wind of a change if it wasn't either too difficult or impossible to pass in the House.

I'm not sure whether I require a regulatory —I think I require a statutory change to do that. My deputy says it's statutory. This means we would have to agree that it was worth trying. We had to agree it was for everything or just for the north or just for rural Ontario, or wherever you want it; but I would be appreciative of your views.

Mr. Peterson: Read Hansard. I was the one who argued your limits were too tight; there was too little on one hand and too much on the other hand. I argued at the time that $250,000 was too high for some of the stated purposes in specified areas. What you have just said vindicates exactly what I said and if you read Hansard from our discussion on that bill you will find that out, very much so.

I will permit our party to support that. Let me say this; don't do it just for the north, that's pretty tough to administer. Do it for the whole province. Why not? Why shouldn't Walkerton or some of the other small towns or rural communities be allowed to do that? If a rural group wants to get together to put up a cheese factory or a processing plant or something like that, why shouldn't they? Don't strap them with that. I can tell you from my point of view I didn't understand the $250,000 limit from the beginning. I don't know where you got the number. I still don't understand it. I would be prepared to let it be very much lower than that.

Their problems are the administrative, accounting, and legal costs of doing it for too small a number. Costs are going to be as much as they will be for a more expensive one, for a richer one almost, but surely that's their prerogative. If you are going to encourage indigenous free enterprise across this country in building little enterprises, surely you should use that as flexibly as you can. I can assure you we will support any amendment along that line.

On the other hand, for the pros, the syndicated ones and investment companies who become involved, if you want to take it from the $5 million limit up to $10 million or take it off completely then I have no problems with that, as long as the purpose is to build enterprise and providing it's not just turning into a tax dodge and just an alternative source of conventional funds. You have to satisfy your regulatory people and your bureaucrats have to satisfy you that advantage will not be taken. The object is not a tax dodge, the object is to create new enterprise.

Hon. F. S. Miller: You and I are completely in agreement there. When we have

been looking at some of the SBDCs, that has been the basic kind of test we are using. For example, are we simply allowing somebody to get assistance for something they would have done anyway?

There is going to be some of that, I have never denied it. However, I am intrigued to see that where the syndicates are starting to talk about public SBDCs, they are now beginning to believe they can re-establish a market we lost some time ago in an area of particular interest to us and to the north. This is helping the small prospector and developer get himself back into an area where he can be financed, and it is tapping a group of people who haven't necessarily been active in investments in the past. The small public SBDC allows people to buy whatever they decide, say $5,000 worth of shares in a company where they may know they are taking a very high risk in a prospecting development operation or a pool of them in the north.

You saw in the paper the other day where I think Kam-Kotia Mines Limited was a vehicle through which an SBDC was used; it is an eligible small business by definition. It had an investment which was put into a number of properties—not into Kam-Kotia which appears to be not a holding company per se, but a company administering a number of small claims and operations.

We were interested in that and we had to go back and look quite hard at the purpose of the SBDC. First it was getting small investors to put up small amounts of money; that's good. Secondly, it was getting prospecting and developing done and the possibility of some of the present smaller fellows getting investment; that was good.

I would say objectives I espoused as Minister of Natural Resources and to which I couldn't find a way through the Ontario Securities Commission's strict rules were being accomplished.

The other part is this: there is undoubtedly in the structure of the SBDCs the right to replace debt with equity. You know that. If a company has a mortgage it can replace that mortgage with somebody coming along and putting cash in as equity.

There will be those who argue that that does nothing for us. On the other hand I would argue that in a time of high interest it is the very kind of assistance the small businessman desperately needs. He needs it to get the load of debt off his back and to get it into some form of equity, or some form of less-than-common-share equity, that at least has advantages from a tax point of view that permits the lender to come in at a lower cost of money.

[11:45]

Mr. Peterson: That being said—I don't want to be unfair to my friends in the NDP; they want some time—there are a few things I would like to discuss, if I may, this being our final day.

We've talked about the pension thing and I want to get back to it. I don't want to get into all this stuff that the Haley commission is going to worry about and the contributions to the Canada Pension Plan and all that kind of thing. My views are very well known on this issue. The Treasurer and I have talked about this at great length before. But I do want to talk to the Treasurer about one aspect of that and find out his current views. A year ago his views were very much in flux, as I recall. He wasn't exactly sure what the problem was, let alone a solution. This was just after he had been appointed Treasurer.

I am sure the Treasurer has spent this last year familiarizing himself with some of the very difficult financing problems we shall be faced with in this province in the 1980s, in connection with the CPP replacements and the teachers' superannuation and all that kind of thing, and the massive amounts of capital we're going to have to obtain from the system somehow, either by tax increases, expenditure cuts, or by going to the public market to pay back those borrowings, essentially of the last decade. I don't know if the Haley commission is going to deal with this matter or not. To be perfectly honest, I suspect that will be only a peripheral part of the report, not the main thrust.

I would like to hear the Treasurer's current views on those questions—what is going to happen in 1983 or so, when we start running into the negative cash flow of the CPP; what's going to happen in 1985 when we start looking at repaying—

Mr. McClellan: We will go to pay as you go.

Mr. Peterson: We're going to have to go to more pay as you go, whether we like it or not. The Economic Council of Canada has vindicated almost every single thing I have been saying about this very thorny issue for the past two years. From a personal point of view I was very happy to see that report brought out.

Mr. Nixon: I thought it was everything. What do you mean almost?

Mr. Peterson: Yes, they came to a number of conclusions, a number of very important conclusions on this issue and they're all difficult. They're all politically impelled, they all

cost money; they all say we're going to pay more now to put a little away for later.

But that aside, what about these thorny financial problems we're going to face? How does the Treasurer see the situation now? Where is he going to get the dough? What are his plans?

Hon. F. S. Miller: I made some comments a few months ago on this. I'm not quite sure where it was. It wasn't in this House. I think it was a speech somewhere or answering some questions from the press.

I'm not saying the commissioner called and said, "Please don't compromise my report," but I got a message that it was a difficult stage in the study and perhaps the Treasurer offering solutions wasn't the best thing to be doing whilst a major paper was being finished.

Mr. Peterson: I don't accept that.

Hon. F. S. Miller: What we did do in the meantime, and I'm sure the member looked at it, was put out the paper 16, a discussion paper on the funding mechanisms—pay as you go, or funded—their effect on the economy—

Mr. Peterson: That's not the issue I'm asking you about.

Hon. F. S. Miller: I recognize that; to a small degree, though. The member is saying the Canada pension fund is a pay-as-you-go plan.

Mr. Peterson: Did I say that?

Hon. F. S. Miller: The member is implying that it will become one because it isn't funded now. I would read it that way.

Mr. Peterson: It is partially funded.

Hon. F. S. Miller: Partially funded, sure. But in effect it becomes a pay-as-you-go fund if, once we pass the breakeven point, cash has to be made up from the current revenues of government to maintain the benefits people are getting.

Mr. Peterson: Just so I am clear, there's no sense in wasting a lot of words. That's not the question I'm asking the Treasurer about today. I'm asking him—I'm not even asking him to project because he's going to cop out and say we'll wait for the Haley report to come out. The Treasurer destroyed his own argument when he said he's not prepared to comment, yet he had three bloody position papers he published two months ago. He can't have it both ways. He can't say he has no position, that he is going to wait for the Haley report to come down, and at the same time say he is a generous fellow because he has published three position papers.

The Treasurer has some views; they are developing. I'm concerned about the one issue and that's what I'm asking about. I'm not asking about pay as you go versus fully funded versus partially funded because I don't expect he is going to answer that question. He is going to wait and fool around with that.

What I'm asking you is about the financing requirements of this province. How are you going to pay back—not five years from now when we're going to have to move to a pay-as-you-go plan, but what you've borrowed already? When are you going to pay back the $10 billion or so you borrowed in the last decade, plus the billion or so in interest you will owe at that particular time?

Where are you going to get that roughly a couple of billion dollars a year for CPP, plus all the other stuff; the unfunded liabilities of teachers' superannuation and all the other funds? Where are you going to get what amounts to in the real sense fresh money, money you don't have now, money that is not shown or provided for anywhere in your budget? Where are you going to get that money? What are your plans? Are you going to the capital markets? That's the question.

Hon. F. S. Miller: You've made a great issue of trying to differentiate debt owed by the province to accounts for which the province has responsibility or, the federal government has responsibility, such as the teachers' superannuation fund, the public service superannuation fund or the Canada Pension Plan, because today the revenues from those funds exceed the demands upon them in some cases.

I would like to draw to your attention that if I went out to the market today like Hydro does and borrowed money from a set of borrowers, there would be a term on much of it, an interest rate, and there is every year a rollover of maturing issues. Is that correct?

Mr. Peterson: I guess so.

Hon. F. S. Miller: In some years one increases the public debt and in some years one decreases it. Since we last talked we've retired somewhere around $380 million worth of debt that was not owed by government to government, or to agencies of government, or to pension plans of government-related employees. For example, the $325 million treasury issues were retired and we retired some long-term debt as well.

When Hydro does that, of course, these days it's with a net borrowing requirement. They have to roll it over and pay a higher

rate. If we have to roll it over, we have to pay a higher rate, so your servicing costs will go up.

I was looking at the federal government's budget—I'm not passing the buck—but it's the most up to date one and their servicing costs were going up 19.5 per cent this year. It was the fastest growth in their budget. Ours are going up somewhere around 14 per cent or so.

Mr. Peterson: It's still the fastest-growing part of your budget.

Hon. F. S. Miller: I might also point out interest in our budget is one-half of what it is, roughly, in the federal budget.

Mr. Peterson: It was 9.2 today and growing at the fastest rate of any item in your budget.

Hon. F. S. Miller: What have we done? We have done exactly what I preached yesterday. We have decided consciously to keep lowering the cash requirements of this province until it is not adding to its debt. That puts us into a position where, I would suggest to you, we have the fiscal capability, first, to release those moneys to go into the regular market. Second, we have the fiscal capability to meet our obligations on them.

Mr. Peterson: I don't understand that. Even if you make your objective of a balanced budget by 1984, where you have no net cash requirements—and I hope you do—that won't solve the problem I'm talking about. That means you don't have to borrow any more at that point, but you've still got to pay back the $10 billion, $15 billion or $20 billion you have borrowed.

My question to you is you have always prided yourself that you've never gone to the public market, with the exception of 1975, which was an aberration, we all admit. You said you were never going to go to the marketplace. Where are you going to get it? Where are you going to get this money? Is it your plan to go to the public market in those years to borrow that money? What are you going to do?

Hon. F. S. Miller: I'm not as gloomy as the member is.

Mr. Peterson: I'm not gloomy, I just want the facts.

Hon. F. S. Miller: One of the things I was talking about was having a higher rate of payment into those funds so the cash flows into them increase again. You know that. That's the very issue the royal commission is talking about.

Mr. Peterson: Is that your position, that the contribution rates should go up?

Hon. F. S. Miller: That's the part I'm staying away from while she is making her report. You can say I'm ducking the issue all you wish. The fact is that I feel it is wise at this point to do that.

Mr. Peterson: How can your response be to me that the rates are going to go up, because you don't know what your position is?

Hon. F. S. Miller: I didn't say I didn't know my position. I had a great belief that we were going to sell that issue at both the provincial and the federal level. Ontario, in terms of the Canada pension fund is not the final arbiter, but it has to have some influence on the final decision.

I am just looking over some information on debt. May I read the note directly into the record? There is no use trying to interpret it:

"Nearly two thirds of Ontario's funded debt, or close to $10 billion, matures in the 1980s. Seventy per cent of these maturities will be Canada Pension Plan debt, with a further 17 per cent accounted for by bonds, issued to the teachers' superannuation fund.

"This maturity bulge does not represent a major problem"—that is where we disagree—"because existing contractual relationships with the Canada Pension Plan and the teachers give the province the capacity to negotiate rollover loans if it so desires and the amount of maturing debt on an annual basis represents only one to one and a half per cent of the projected budgetary revenues of the 1990s."

Mr. Peterson: I understand what the deputy minister is saying, but I am saying to you that, first of all, that CPP money is virtually call money, it is 90-day money. Am I right?

Hon. F. S. Miller: Twenty years with a six-month call, somebody says.

Mr. Peterson: Is it a six-month call? I thought it was a 90-day call, but anyway, it is almost demand money—it is not demand money but it is short term and they can call that if they run into worse troubles than they anticipate.

All I am saying is you are not going to be able to borrow any more from them in 1985, barring an increase in contribution rates. Even if the contribution rates are increased, as I am sure they will be, and provide a new tax on already burdened taxpayers and burdened employees—another payroll tax—pretty soon we are going to reach the limits of our capacity to tax everybody in this country.

Do you know what unemployment tax is proposed by your friends, the increase in unemployment premiums and the gas tax and the surtax and then another increase up to

seven or eight per cent for CPP? We are going to tax the whole corporate sector and the private enterprise sector right out of business in this country, because I can tell you there are a lot of people right now who are worried about Ontario's capacity to stay in a competitive tax position, not only provincially, but with the additional federal burdens being placed on this economy.

That is a real problem and you know it is a real problem. Other jurisdictions in this country are starting to look far more attractive. Other jurisdictions in the United States, relatively speaking, are looking more attractive from many points of view.

I don't know if we are going to get anywhere with this question. Frankly, I am no further ahead than I was a year ago on this. I just don't see where you are going to get the dough, because I don't see that you've got the plans in mind. It seems to me your only choice, because you have burned up or will have spent and used to capacity all your internally generated funds, is you are going to have to go to the public market place.

This is what I am asking: Do you see yourself going to the public market and for how much, and in what year?

Hon. F. S. Miller: It is always difficult looking down the road, because obviously the budget of Tuesday, should it be implemented, as I mentioned yesterday, is moving into some of my tax room, which is something that concerns me greatly.

If Ontario has 21 cents a gallon on gasoline, the federal government now has 25 cents plus 6.1 cents. They have a tax of about 31 cents on a gallon. I think the sum total of their tax is about 31 cents now, I am told. We have 21.

We argued, when they first moved into that field, that they were basically invading a domain that we traditionally would look at to see if there was room for us to occupy and from which to take our needs. They have done so and they have left us very little room to manoeuvre.

[12:00]

Our tax, unlike their new sales tax, will not be free to change with the value of fuel unless we reconsider it all. Obviously, I am going to have to do some hard thinking in the next while.

I would point out, when one looks at the percentage of gross provincial product that has to be raised within a province from the province's own resources across this country, Ontario looks very good. So that when one asks what tax rates are being applied and how do we compare with other jurisdictions, I would say, with the exception of Alberta, we still look excellent. The statistics are all around us to refer to if we have to. I read something into the record a few days ago and I would suggest we are still in a well-run state.

I think we have treated some of the issues, like the teachers' superannuation fund—and you may not agree with me—more honestly than some of the other jurisdictions have. At least we have set up the contingent liability. I think we have a requirement to look at it to find, not the contingent, but the unfunded portion of it at any time and if we have to pay for it over a period of years, we do so. I think we have been paying about $50 million a year on that one issue just to make up the difference.

Mr. Peterson: It was $144 million last year.

Hon. F. S. Miller: We had a couple of years to catch up, though, didn't we? Every three years we adjust it as the actuaries look at it. Those things have been taken in steps to make sure the pensions don't get out of hand.

Last year I assumed that only government was the culprit in this kind of thing. If you look through last year's text when we discussed this—I had just finished reading a book, I think you suggested that I read it, on the Canada Pension Plan's problems—I felt quite strongly that government, with its indexation at the federal level in particular, was leading us down a road that was going to take us to some kind of disaster and that industry probably was minding its business and giving its benefits in a much better way. Probably on balance it is.

I have listened to a couple of the awards given recently by some major corporations. I have looked at some of the stated unfunded liability of some of the private plans. I would point out it isn't limited to the government. It is something, sadly enough, very few people are really interested in, even amongst the negotiators I suspect; in other words, the people who give the benefits away or the people who demand them.

I have often argued that perhaps we should be allowing a good many people more choice in whether they have a future benefit or a present benefit.

Mr. Peterson: I am glad to see the Treasurer is just starting to understand this issue. This is the most significant financial issue that the Treasurer of this province faces and he doesn't know it. I have been trying to impress that upon him.

I have made 20, 30, 50 speeches in the last year on this issue, anywhere anybody will

listen to me. The Treasurer is right about the private sector. God, it is in more disarray than the public sector and the public sector is in total disarray. You have to start.

One of the things I asked the Minister of Consumer and Commercial Relations (Mr. Drea) about—and I was so happy to see the introduction of this resolution by the member for Hamilton East (Mr. Mackenzie). He started the debate in this House on the pension question. I didn't happen to agree with everything he was saying, but at least we are starting to talk about it.

The member for Armourdale (Mr. McCaffrey) is developing some expertise on this particular issue and is concerned about it as am I; this is a most complicated issue and anybody who pretends to know it all is kind of silly. Surely we can impress the gravity of it on the minister and ask him to do something. He has to do something in the private sector too, even though it may not be his ministerial responsibility.

I have argued with my friend, the Minister of Consumer and Commercial Relations, that he has to start with some disclosure legislation. The level of knowledge about this whole question, both privately and publicly, is abysmal. Unfortunately people don't care about it. It is not the kind of issue that affects someone or they even think about until they are 50 or start to think about retirement. It is not the kind of issue that has any immediacy for young people. But they have to start to understand what they are paying, what their rights are, the security of the fund, how it is being managed.

There has to be new legislation in this House for the private sector. I urge the Treasurer to work with the Minister of Consumer and Commercial Relations because if you run into the situation and it's not impossible where a major corporation in this province goes into default and you are sitting with 10,000 or 20,000 retirees on the payroll, you have a very significant political problem whether it is your responsibility to step in and assist with this or it isn't. We saw a microcosm of this in the Prestolite case. That is just one example.

The reports of the unfunded liabilities in the private sector are absolutely staggering and far exceed the assets of some of these companies. The Treasurer was right; they haven't taken a total compensation bargaining view. It's easier for management and, respectfully, people in government, to give a pension benefit because it doesn't come out of their immediate payroll, it doesn't come out of their immediate expenditures this year. It is something future management, future governments, future taxpayers, future shareholders will have to deal with. We have to take a much tougher view in the whole collective bargaining process, look at the total compensation aspect and say, "You can make a decision, you take it now or you take it later, but you can't take both because we can't afford it."

We necessarily have to take a more responsible view of our own responsibilities to pay our own way and set aside for ourselves in the future, because we cannot expect future taxpayers to do that for us, it is immoral. Not only that, with the changes in demographics, when there are fewer people in the marketplace, more retirees, fewer people contributing to the gross national product, you have a crisis on your hands—I didn't want to make this speech but the Treasurer forced me to.

You have a crisis on your hands. Trust me. You don't understand. All I can do is when I am a grandfather, I can look at this speech in Hansard and I will read it to my grandchildren and I will say, "Well, I told him so." Because I am frustrated, I don't know what to do and I don't even get the perception you understand that much about it, you are impressed with the gravity of it, or that you know what to do about it.

Take it as a matter of priority. Disagree with me. Tell me I am crazy. Tell me it's a problem. I know if you study it you will realize it's a problem in all sectors and you will do something about it.

You talk about the federally-indexed pension plan for civil servants which I happen to disagree with because it is so totally underfunded. But you have a situation like that with the teachers' superannuation fund today. Your unfunded liability is $1.4 billion, your effective contribution rate is about 15 per cent a payroll a year. All you are getting out of it is borrowing that money back at low market rates to fuel your silly deficits. Now you are the author, this government is the author of the weakness of that plan, those funds should never have been touched.

I just commend again to the Treasurer the reading of young Chris Lett who used to work for you. I wish you still had him because he is one of the most sensible people in the pension business in this country as far as I am concerned. He is now in private practice but he foresaw some of these problems. The former Treasurer gave us glimmerings that at least he understood it and he made little noises here and there about increasing contribution rates.

But had you not had your grimy hooks on those pension funds you accumulated—they are under your jurisdiction—I can say you would have seen a lot more fiscal responsibility out of this government in the past 10 years. You would have seen much better funded pension plans. You would have seen more investment in plant and capital, into private enterprise in this province, you would have seen less unemployment with more real income and a lot better situation than we are at today.

That was like catnip that fuelled those deficits. I have argued the availability-fed demand thesis that you have spent everything you could get your hooks on. I didn't want to repeat myself but I am obliged to. I still don't see the way out of this thing.

I just go back and quote my old friend Grant Reuber, now the Treasurer's friend the deputy minister of finance in Ottawa, who says and has said publicly this is a crisis that is more significant and more important to the financial future of this country than the energy crisis. Those are the proportions. I wish the Treasurer would please start on all fronts and start with Consumer and Commercial Relations, start with disclosures, start with portability, start with those kinds of questions. Get the level of public debate up.

I have my own ideas as to a solution of the dilemma you are in on the teachers' superannuation and all that. You should turn it back to the teachers, you should buy your way out of it. Turn it back to them and let them run it. You negotiate every year and say what your contribution is going to be, but it's going to cost $1.4 billion to get out of it because of the problems we inherited in the past because that is virtually an indexed fund. It is going to cost $1.4 billion to get out of that fund, because that's the unfunded liability, rather than accumulate these deficits in the future.

This is something that makes me angry and if I could make one tiny contribution as a politician—and I have reconciled myself that it's probably impossible to move you guys in any way, sitting in the position I am—but if I could make one contribution in my dismal little life spent in politics, this has to be the one I would like to impress upon you, to move you just a little bit to at least look at the issue. I don't know how to do it and I would like your ideas on it because it frustrates me to no end and I am so unhappy to see the lack of knowledge at a political level.

I am sure your staff guys are aware of it. They must be. They are pretty intelligent people. But it's so easy not to do anything about it because all of the solutions are politically unpalatable, and we know that, but we also know that the crisis, when it comes in 10 or 15 years, is going to be almost impossible to get out of or at least the price we pay as a society is going to be so much higher than the one we start to pay now if we do it gradually and over a period of time.

I understand the political inertia on this question because it's not going to get you any votes. It's not going to get anybody any votes and any solution is politically unpalatable. It's going to be unattractive. It is going to cost more. But if you leave it for 15 years, whoever has to solve the problem at that time won't be able to solve it without some very serious disruptions and without a galling economic yoke around the necks of our children.

We have no right to do that. I know your staff guys know that. I would be very surprised if any of them disagree with me because they are economists, they are trained in it. But it's action on a political level because all the political debate on this question is, "We must increase pensions and we must look after people who are in trouble" and all that kind of thing and that's part of this problem. It's part of the dilemma we are in today as a nation. But I can tell you, and that's a different speech for a different time, if we don't solve the fiscal arrangement, the financial aspects of it, I can tell you there won't be anything for anybody when it comes down the road.

So there's my annual speech, Mr. Treasurer. I am sorry to bore you with it but I really hope next year, after the Haley commission report comes out, we can really have serious discussions on this issue that involve all members of the House discussing all aspects, because there are many aspects, not only financial but moral and social aspects too. I hope you will act on that. I hope you will bring in legislation and I hope you will make that a top priority for your government to deal with that issue. Anyway, I am totally unsatisfied with the answers I have received to questions I have asked, but I don't think I can extract any more of your hide.

Now, back to your statement. I want to complement the Treasurer. That's a pretty good statement that you made in response to the budget. I don't have any fundamental disagreements. You used a little rhetoric that I probably wouldn't have used. You've got the old Crosbiean disease of blaming the previous 16 years of administration but that's fair enough because in fairness, I blame you. If they have got 16 years worth of sins, you

have twice as many years worth of sins and we will get you for that in due course.

What this points up to me—and I only disagree with certain details. Your thrust is right. If you have to characterize it, it is a massive revenue grab. The federal Minister of Finance is asking the Ontario taxpayer, the Ontario consumer, to pay off the federal deficit with not nearly an equitable or concomitant investment in energy conservation, in renewables or any of the kinds of things we have to do to take us over the next decade. It's an obvious fact that in his plans to balance the budget—a noble objective, and I understand probably as well as the minister does the problems he had to deal with—he has dealt a terrible kick in the teeth to the consumers of Ontario and, apart from issuing statements, I think you have to think of something very serious to do about this. I don't want to just sort of get down to this business about campaigning, defeating the 58 members, I don't want to put the discussion on that level.

[12:15]

I don't know what you can do but you must take extremely strong action. You must mobilize almost every force you have to make sure we don't get that extra kick, because as you rightly point out in the statement, the great load of those ill effects of that budget is going to be carried by the consumers in Ontario. The other jurisdictions are insulated, and are protected against some of the vicissitudes in this budget. We aren't.

As we were discussing the other day, there is a great deal of resentment against Ontario; you know that and I know that. They feel that Ontario has had a free ride for too long and hasn't made the adjustments. You know the Lougheed arguments every time they sit down at the desk: "Ontario have been the fat cats all these years. They have wasted it. They are the highest per capita energy consumers in the country and they are not investing in plant and capital. It is running down, it is creaky and it is rusty. If we gave you a better price, you would just waste it, anyway, so why should we?" You know those arguments.

There is some legitimacy in his arguments. He is quite right in saying that your government has not moved fast enough, has not moved with enough vision and enough judgement, enough guts, to make the kinds of adjustments in the economy to the inevitable, adjusting to something you know is going to happen. The rest was just details, matters of degree, how much, when, but it is going to come.

I don't care who is elected in the next federal election, and I don't care what kind of deal is hammered out—and maybe it is only going to be $2 next year as opposed to $4—but we all know the direction we are going to be going five years from now and we know where we are going to be, so let us work on those premises. Let us put the majority of our energy there.

I think this budget is a very rude shock to the taxpayers and the consumers of Ontario. In the old days, we used to look to taxpayers paying on the ability to pay to cover federal deficits. This excise tax of 18 cents is now a tax to cover a deficit and that is really an extraordinary kind of thing to do, particularly when they are going to increase the price of that same oil $4 a barrel in the same year, compounding the question with a tax upon a price increase, and asking us, as the largest consumers, to pay off the deficit. It worries me very much. They add on the surtax—and again we have 40 to 45 per cent of the industry and business in this country—and they add on the other little grabs. As you rightly point out, again we are getting ripped off on the unemployment insurance provincially.

This is a very serious kick in the teeth for the consumers of Ontario and I would urge the Treasurer to do every single thing he can, including urging a moratorium on this thing until the federal election is over, in terms of this government yelling and screaming and using all of their political might, what little they have and all of the political efficacy he has, spare as it is, to try to impress upon the federal Treasurer what a very serious problem we are facing over this budget.

I am most despondent about it. It is too rude a shock. I am in favour of facing the realities, but it is far too rude a shock and we aren't getting the investment back, we aren't getting the recycled dollars back here the way we deserve, concomitant with our contributions to the overall national scene.

I would urge again, in the absence of some kind of new accommodation on these matters, that you now rightfully can claim your equalization and you should do it. What else have you got? If you don't, you are just blowing the whole thing.

Maybe you want to respond to that, I have no idea, but I am pretty unhappy with it.

Hon. F. S. Miller: I will talk briefly about the comments on pensions. I have been very interested in pensions in the last year and I had a great deal to learn. I have never really been shy about admitting that.

I have taken the time to talk to a number of people within the business. I've listened with great interest to the member because I happen to feel he's talking very sincerely on this issue. I'm not satisfied that—

Mr. Peterson: I speak sincerely on every issue, Frank.

Hon. F. S. Miller: More sincerely on this issue, then—

Mr. Peterson: It's a matter of degree, but I'm always sincere.

Hon. F. S. Miller: With more conviction perhaps. Yes, I'm under the third degree during this estimate debate.

The fact remains I'm not sure things are quite as bad as the member says or quite as good as governments like to say they are. Our budget paper 16 outlines the kinds of problems we're facing today in deciding whether today's taxpayer should pay, under a funded system, a fair share of the cost of what he receives, or what employees should pay in a company today and have those moneys put into relatively safe places.

The member assumes that if the government didn't borrow some of those moneys in the Canada Pension Plan they wouldn't be in government's debt portfolio. The member assumes then that it would be borrowed by somebody else. Now who would borrow the money the Canada Pension Plan is using?

We would say it would be free to be used for the economy, fine. Yet a moment ago the member said the very fear he had was that some of the industrial plans are sadly underfinanced and when the companies go belly-up, the don't have any resource for management to pay their obligations to their retired employees.

Mr. Peterson: Just a minute, what kind of non sequitur is that? That's a ridiculous thing you just said.

Hon. F. S. Miller: I would argue—

Mr. Peterson: Well, don't say silly things.

Mr. Deputy Chairman: Order.

Hon. F. S. Miller: Let me finish my argument. The member is trying to say that somehow on the one hand people in private pension plans may be at risk because the pension plan may not be properly protected and they may not get their benefit if something happens to the financial stability of the company, right? On the other hand the member is saying the government won't be able to meet its obligations.

I would argue that governments have had a very high record of meeting their obligations, even though it meant taking certain unpleasant decisions like taxation further down the line. That then brings it back to the issue of how do we distribute that load? Is it all put on future taxpayers? And you and I, because we're a little older—

Mr. Peterson: Don't include me.

Hon. F. S. Miller: Well, Bob and I. I won't include you.

Mr. Nixon: Didn't Alberta repudiate their bonds at one time?

Mr. Peterson: Didn't Germany?

Hon. F. S. Miller: That they did. Germany did, yes. But I would say that apart from major wars—I don't know what happened to Alberta's bonds. Did they ever get paid off?

Mr. Peterson: You know what? Don't reply, Frank, you're so superficial you are embarrassing yourself.

Hon. F. S. Miller: I'm not embarrassing me, but I may be embarrassing you.

The fact remains I am satisfied that you will see a gradual change at the government level—the federal level—controlling pensions that will see the needs are met, the commitments are met and the ability to pay remains.

When we get to the oil revenues, the very argument Ontario has used about the 18 cents or 25 cents sales tax has been that it should not have been a field taken by the federal government. We've agreed on that. Where can the federal government get its share of the money if it needs the money to offset its fiscal problems? And it does need it.

One of the weaknesses I saw in the proposed structure to divide the moneys flowing from increased prices for oil was that no one tampered with the share going to the producing provinces. They said that no matter how the price was raised to meet whatever purposes the federal government had, it would be for the fiscal or energy policy purposes. Then the 45 per cent flowed to Alberta or Saskatchewan.

My argument is that that isn't fair. If decisions are being taken to raise the price for policy matters, I think that the producing province doesn't necessarily have the right to say that a certain percentage remains constant. Why should the federal government have to raise the price past $2 per barrel per year before it gets more than 10 per cent?

Mr. Peterson: That was our statement two weeks ago.

Hon. F. S. Miller: Why then should it confiscate 50 per cent of it from there on leaving five per cent for the oil companies and 45 per cent still for the province?

I would have argued that this should be reduced at the provincial or the owners' level simply because we're making arbitrary in-

creases in the price at the federal level. I would argue too that governments that find huge sums of money flowing into their coffers really have lost the ability to say no to almost anything their electorate may wish.

Mr. Peterson: Witness you and the CTC and the teachers' superannuation.

Hon. F. S. Miller: I didn't say that was the case at all. I'm only saying that when you're having debt-free money flowing into your coffers at the rates Alberta now has it flowing the need of governments to be judged efficient by the levies of taxes upon their citizens diminishes, their need to be able to say no to projects they may not want drops.

That is why I said to a group not long ago I had very little trust in letting government pass the money through and recycle it to the consumer, because in passing that money through the Alberta heritage fund, or through the Alberta government or through the federal government and back to the consumers, there is a big overhead. That big overhead adds very greatly; therefore I would have argued that at the very least there should have been a restructuring of the split of the oil revenues before talking about excise taxes and, therefore, possibly eliminating the need for the excise tax which traditionally was a field that our group was in.

I only suggest that kind of argument will carry on. Ontario obviously has to defend the rights of its citizens and we will do so.

Mr. Makarchuk: I would like, if I may, to continue this. In listening to my friend from London Centre I have a feeling that if he had been in the Clark cabinet he would have written the same type of budget that Crosbie presented two or three days ago, with, it would be hoped, the same results.

I was just listening to the minister talk about the passing through of money to the government and the big overheads that develop and the problems, and so on. He forgets the report of the Ontario Economic Council and I just happen to have a copy. Just as an example: Family allowances, old age security, and so on; the cost is less than one per cent; in provincial allowance programs which are welfare programs and so on, the cost has stabilized at below five per cent.

The mythology that both of the other political parties live by is rather mind-boggling. As I have said before in this House, I am glad these people weren't in charge in 1939 when the problems were much more severe than they are today, when we had about 20 per cent of the population unemployed, when the country was in great economic difficulties and we had to fight a war.

As I was listening to the discussion earlier about the deficits, the problems we are going to get with our pension plan, the charges on the taxpayers and so on, one could imagine if my friend from London Centre was in charge at that time, he would be saying: "Look at the problems; we're going to have to fight the war; look at the borrowing we are going to do, the yoke that we will place on our children in the future who will have to carry this big load."

The point there is that during those periods of time the Canadian government incurred deficits of about $2 billion per year at a time when the GNP was only $8 billion, in other words about 25 per cent of the GNP was in deficit; in comparison, the national GNP right now is $200 billion, on which we could sustain a deficit, on a similar parallel, of about $50 billion.

The country didn't go broke, it didn't fall apart. If anything, the country prospered. The people went to work, we started off on an economic boom, we industrialized ourselves; we did all sorts of marvellous things and we managed to pay off that money.

We're not saying that you have to embark on useless programs or start building tanks or planes or ships, but there are certainly enough items, enough necessities in our public sector in which the government could get involved. This preoccupation with the deficit —we've got to cut it down, we've got to have zero deficit et cetera—is utter nonsense.

I would like to point out to the minister that in West Germany, which has a much lower unemployment rate, a much lower inflation rate, a pretty strong currency—

Interjection.

Mr. Makarchuk: No, no; when they had to have surplus labour they brought it in, but the point is their unemployment rate is much lower than ours.

The other factor is that their government spending, is roughly between eight to 10 per cent higher than ours. Eight to 10 per cent more of the GNP is spent by the federal government. They're not worrying about this mythology of big government, they're not worrying about the mythology of deficits, and they manage to run their economy.

[12:30]

The problem here is the financial calcification that seems to permeate the two political parties; that is really the problem you guys—to use a slightly non-parliamentarian term—have absolutely no new ideas. You are not prepared to look at different measures;

you are not willing to examine some of the economic techniques that are used particularly by western European countries—

Mr. Peterson: What do they do in Libya, Mac? Maybe you can tell us.

Mr. Makarchuk: In Libya, they operate in the same way as they do in Ontario, in terms of ensuring that certain social needs are met, in terms of unemployment, in terms of inflation and so on.

Part of the problem we have with inflation is if you have a pile of savings and your savings are deteriorating at a faster rate than the interest rate, you naturally are prepared to go out and spend the money because there is no point in keeping it around. In Germany, as an example, the government is prepared to pay interest on savings at a rate higher than the inflation rate. That encourages people to save money instead of spending it. It seems to work. Perhaps the minister should consider it. Is he using the Ontario Savings Office at this time? I think in comparison with other banks it is about a percentage point ahead.

This is an item I have raised before. I think very seriously that is an area the Treasurer should really expand. The new Bank Act is going to be amended some time in the next couple of years. I think the province of Ontario should go there and get the right to operate a banking system in Ontario, to enlarge the Ontario Savings Office, so it has the opportunity to lend money, so it has the opportunity to be of assistance to small business, instead of some of the programs you have on stream right now.

One of the really serious problems for a small businessman is he is not in a position to go through all the red tape, to go to Bay Street, to go to some other places and find some individual who is going to lend him money. He doesn't know where to go. He doesn't know who to see. He doesn't have the contacts, or anything of this nature. We would like to have some local institution that could make a local decision, where he can go and get the money, in contrast to the regular banks which are rather reluctant at times these days to get involved in that kind of thing.

Every manager is protecting his backside. For fear of making a loan that may not be paid back he doesn't make any loans at all; or if he has the option to make a loan it has to be approved somewhere else. He is limited to about $20,000 or something of that nature as the maximum amount of the loan. The people in Toronto decide who gets a loan in Brantford or Orillia or Gravenhurst. That certainly is not a sensible way of doing business.

I would like to hear the minister's comments on the idea of expanding the Ontario Savings Office.

The other matter that has been discussed here is trying to raise money. What the government of Canada did during the period from 1939-45 was it managed to raise money within the country; we could do very much the same in our current situation. We generate more capital in Canada than we invest in this country, but there is the problem of outflows and everything else. However, I think that on a selective basis the province of Ontario can operate in terms of using savings bonds, as the federal government does, to raise money in Ontario so the income goes to the people of Ontario. If there is any income, a certain amount of it will be coming back to the Ontario treasury, just as the federal government getting its bite out of the situation.

I don't know why, and this has been raised before, since there are short-term treasury notes, et cetera, you don't go out and sell Ontario savings bonds to the people of Ontario to ensure that the money is left in Ontario and recirculated in Ontario.

I would like to hear the minister's comments on these matters.

Hon. F. S. Miller: I guess this is where we part company to a large degree. In one way there is a provincial bank functioning, only it functions in different categories. The Province of Ontario Savings Office I believe was created at a time when there was a need in the agricultural community a long way back. These offices take money in these days, but don't really lend it to anybody but the province of Ontario. It does pay a slight premium over the normal rate, although these days there's a lot of competition.

At the same time, you have the Ontario Development Corporation making decisions to lend money to small businesses, in effect acting as the lending arm of a bank.

I would have to tell you that while there is obviously a large role for ODC, I have grave misgivings about the intrusion of government into those areas of business best handled by the private sector. I'd have to question whether the Province of Ontario Savings Office is still the viable entity it was when it was created and whether it's meeting needs, or whether the money for the province's needs can't be raised in the normal fashion. I simply don't trust the province, or any other government, to run a bank effici-

ently and make the decisions as well as the banking sector itself would make.

I have to tell you I've got more confidence in my local bank manager than you have. I don't know what kind of experience you personally have had in getting small business loans. Have you ever had a business loan in your life?

Mr. Makarchuk: I probably ran a larger business at a younger age than you've ever done in your life. I think I have some experience in the matter.

Hon. F. S. Miller: Are you bitter? I don't know how young or how big; I don't ever pretend to have been a big businessman. I was a little businessman. If you're a big businessman and a member of the NDP it means two things: You didn't get the money at the bank and the business went down the tube.

Mr. Makarchuk: On the contrary: I want to correct the record. The business did not go down the tube. I sold out my share in the business and I haven't looked back since that time. I may point out that back in 1955, Mr. Treasurer, I was running a business—

Hon. F. S. Miller: In Brantford?

Mr. Makarchuk: No, it was in Sudbury, in Elliot Lake. We had the Hertz, Tilden and Avis Rent-A-Car agencies, until Hertz found out. We had to divest. On occasion however, shall we say, the gross was close to $200,000 a year at that time.

Hon. F. S. Miller: Mr. Chairman, to put things in perspective: I was the Tilden dealer in Muskoka; my gross was a million dollars a year. Is that okay? However, that's the gross of my whole agency and not just the rental part.

Mr. Deputy Chairman: At this point, I don't think our various achievements are going to do much to help the advancement of the business of the province.

Hon. F. S. Miller: He challenged me, Mr. Chairman.

In any case; the local bank managers, I have found—oh sure, there's the odd sleepy one in the odd sleepy town—but in the main, a local bank manager is very clearly related to his client group. He's got a pretty good feel about who is a competent manager and who isn't. If he's a cautious person he may refer a good many of the minor decisions on to head office. If he's aggressive he will take a very active role in helping them. But I have to tell you I've seldom been turned down by a bank manager when the deal was reasonable. In fact, I can't recall when I've been turned down at all for anything.

I have to tell you, though, when I've dealt with some governmental agencies, and I've had experience with a couple of those, the process is enough to increase the profits of the LCBO handsomely before you're through. I would have to argue the decisions are better made in the private sector, and that perhaps the role the EDF is running these days of guaranteeing some of those loans is much better than being the prime lender. I would only point out that I have that kind of confidence, since Canada's banks, particularly since the 1966 or 1967 Bank Act change, have been very aggressive and have done a good job.

By the way, can I just read one thing into the record? I was just given a note that the Prime Minister of Canada has announced that all the budgetary measures introduced as a part of the budget on Tuesday evening will be withdrawn.

Mr. Makarchuk: Do we get a refund on the gas we bought, the 18 cents extra we paid?

I can see the minister's ideological persuasion, the feeling that governments cannot do anything properly and they can't operate the banks. The point is if you talk to the small businessman, again what they basically say is they're not really happy with the way the banks operate. They put them through the hoops; they put them through the wringers; they do everything to them before they come up with some loans. The fact is in the banking business there really isn't any competition. If you had a provincial bank that had some, shall we say social responsibility towards some other things besides just maximizing profits, perhaps you would have the other banks acting in a more responsible or more sensitive manner in comparison to what is happening right now.

The minister's assumption that the businessmen are happy and the banking system is perfect, or close to perfect, is a lot of nonsense. That is not the reality at all.

In the matter regarding ODC, there is no question that it tries, in the experience I have had with it in referring people to them, but in the process some have been helped and some have not. Generally it ends up that fairly major corporations are able to avail themselves of the assistance.

I want to continue, Mr. Chairman, on one other item, which is the Ontario home repair program. If the government at any time has any program, or has looked at any programs which create jobs in an area where they need to be created, it is the home repair program. Admittedly, we have discussed this

under the Ministry of Housing. What that minister said was that the Treasurer only allows him so much money and that is all, and he dishes it out the best way he sees fit.

I want to stress that if the government is really interested in helping small business, that is one of the programs that does help the local businessman, the small contractor, the plumber, the electrician, the roofer, the carpenter and so on. If somebody ever did an evaluation of the jobs created with the money spent in that program, I think he would find the maximum returns in comparison to probably any other program.

When the program was first initiated I saw, in Brantford in particular, that a lot of small contractors were able to acquire new equipment under this program; were able to acquire better facilities and to go into something bigger, or were able to go out into the private construction field because of the assistance they got, or because of some of the things that were done to help their ability to operate in these areas.

I would suggest to the minister that in the future, next year for example, he should triple or quadruple the amount of money going to that program, because the effect it will have on the province of Ontario will be very evident, not only for the small businesses themselves, but of course in the social benefits that flow from that.

Hon. F. S. Miller: That is a very popular program, certainly in my part of the province at least. I believe in most members' ridings it has helped many elderly people stay in their homes while doing the things the honourable member has mentioned. Each year we have to look at our priorities and decide whether the $20 million that it currently gets will or will not change.

Mr. Chairman, I wonder if at this time we could ask that we proceed with the regular votes.

Mr. Deputy Chairman: I am prepared. Earlier it was agreed that the party critics would have a pretty free run. We are still on vote 901, but time is getting on and we have the vote on the supplementaries as well, so we will call them if it is the wish of the committee. I don't want to cut anybody off. The member for Hamilton Mountain.

Mr. Charlton: Mr. Chairman, I will try and be as brief as I can. I did want to raise a few things with the minister, though, about property tax reform, although I know it is not something that is specifically listed under the votes in this ministry.

On the other hand, both during the revenue estimates and the estimates of the Ministry of Intergovernmental Affairs we were told quite clearly—

Mr. Deputy Chairman: I will let you proceed on the basis it is going to be very brief, but if it is not in these votes it is out of order.

Mr. Charlton: That is the question, Mr. Chairman. Both of the other ministers made it very clear that the Treasurer is the minister responsible for policy in the area of property tax and property tax reform, that is a question this government agrees to.

Mr. Deputy Chairman: If you are going to make a long preamble I shall have to rule it out of order. If you want to put the question very briefly, I will permit it.

Mr. Charlton: Since time has run so short, Mr. Chairman, I will be as brief as I possibly can.

I want to urge on the minister, as strongly as I can, that property tax reform is a mess we have been into for some 12 years.

We had a strange situation two weeks ago where things got so tense the Liberals actually took it upon themselves to stand and refer the postponement bill out of the House into committee because of a considerable amount of honest and serious concern on their part about some of the things they saw.

[12:45]

There is a considerable amount of misunderstanding in this Legislature about where we are going and what property tax reform is all about. A year ago June, when Mr. McKeough, the former Treasurer, announced the last postponement, he said quite clearly that the Ministry of Treasury and Economics would be continuing to work to try to solve the problems. However, in this session of this House we have heard absolutely nothing about exactly where we are going.

The Minister of Revenue (Mr. Maeck) has gone into the section 86 equalization program, but the Minister of Revenue made it abundantly clear that the section 86 program, although it provides some benefits and some small measure of new equity or more equity, is not the answer and was never intended to be the answer; it is an interim measure.

Everywhere I have suggested this it has been said to me that the Treasurer is the one who is responsible. I want to suggest to him we have had a number of tax studies and reports done by the Blair commission, by this ministry itself and by the joint committee

in 1978, and none of those studies has ever been dealt with by this Legislature or by a committee of this Legislature. The understanding of the whole question of property tax reform is not growing at all in this Legislature. There are very few members who understand it at all.

I think it would be of great benefit on two counts if the Treasurer were to take it upon himself to go to cabinet and suggest that we refer the whole matter, and all of the data and studies that have been done, to a committee of this Legislature. It would be beneficial from the point of view of creating a better understanding in this House generally, and perhaps it might even develop a good, substantial understanding on the part of the 10 to 15 members who served on the committee.

The other major ultimate benefit would be that anything that came out of the committee could be a serious indication to the Treasurer, and to his colleagues the Ministers of Revenue, Intergovernmental Affairs and Education, of those areas where we can find some agreement in terms of property tax reform, which perhaps would give us some better basis from which to proceed.

The comment was made by the former Treasurer, by the Minister of Revenue, and probably even once or twice by the present Treasurer, but I don't want to pin him with it, that there has been no co-operation from this side of the House and that we haven't been supportive. The reality is that we have not had anything to support or oppose.

Getting this whole matter out into the open, amongst the members of all three parties in this Legislature, is going to have to happen before we can ever resolve the whole question of property taxes. I urge the minister to seriously consider some method of getting this matter before the House or a committee of this House.

Mr. Deputy Chairman: Does the minister wish to make any reply?

Hon. F. S. Miller: In the interest of time, I had better not. I am certainly studying these matters very seriously.

Mr. Deputy Chairman: We have before us now all of the votes of the Ministry of Treasury and Economics.

Votes 901 to 904, inclusive, agreed to.

Mr. Deputy Chairman: That completes these estimates, save for the supplementaries.

Vote 903, supplementary, agreed to.

Mr. Deputy Chairman: That completes the study of the estimates of the Ministry of Treasury and Economics.

On motion by Hon. F. S. Miller, the committee of supply reported certain resolutions.

CONCURRENCE IN SUPPLY

First Clerk Assistant: Mr. MacBeth, on behalf of Mr. Edighoffer, from the committee of supply reports the following resolutions.

That supply in the following amounts and to defray the expenses of the government ministries named, be granted to Her Majesty for the fiscal year ending March 31, 1980.

Mr. Deputy Speaker: Dispense.

Reading dispensed with. (See appendix, page 5554.)

Resolutions concurred in.

The House adjourned at 12:50 p.m.

APPENDIX

(See page 5553)

CONCURRENCE IN SUPPLY

Mr. MacBeth, on behalf of Mr. Edighoffer, from the committee of supply, reported the following resolutions which were concurred in by the House:

That supply in the following amounts and to defray the expenses of the government ministries named, be granted to Her Majesty for the fiscal year ending March 31, 1980:

MINISTRY OF GOVERNMENT SERVICES

Ministry administration program	$ 5,271,800
Provision of accommodation program	140,262,100
Upkeep of accommodation program	66,215,100
Supply and services program	47,705,000
Communications and computer services program	12,320,800

MINISTRY OF NORTHERN AFFAIRS

Ministry administration program	1,472,000
Project development and community relations program	5,409,000
Northern communities assistance program	32,255,000
Regional priorities and development program	102,571,000

MINISTRY OF INTERGOVERNMENTAL AFFAIRS

Ministry administration program	1,264,000
Intergovernmental affairs program	1,172,000
Local government affairs program	545,678,000

MANAGEMENT BOARD

Ministry administration program	90,690,500
Policy development and analysis program	5,815,000
Management audit program	750,000
Employee relations program	851,000
Government personnel services program	640,000

OFFICE OF THE LIEUTENANT GOVERNOR

Office of the Lieutenant Governor program	127,000

CABINET OFFICE

Cabinet Office program	1,255,000

OFFICE OF THE PREMIER

Office of the Premier program	1,639,400

MINISTRY OF REVENUE

Ministry administration program	5,971,300
Administration of taxes program	28,804,000
Guaranteed income and tax credit program	100,064,000
Municipal assessment program	55,766,000

MINISTRY OF TREASURY AND ECONOMICS

Ministry administration program	3,648,300
Finance program	8,249,000
Economic policy program	10,065,000
Central statistical services program	1,095,000

That supply in the following supplementary amount and to defray the expenses of the government ministry named, be granted to Her Majesty for the fiscal year ending March 31, 1980:

MINISTRY OF TREASURY AND ECONOMICS

Economic policy program	$165,000,000

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Ontario

No. 139

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Monday, December 17, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, DECEMBER 17, 1979

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

ONTARIO HYDRO TRANSMISSION LINES

Hon. Mr. Welch: Mr. Speaker, I should like to advise the House concerning actions being taken on two applications I have received from the Minister of Government Services (Mr. Wiseman) for approval to expropriate land on behalf of Ontario Hydro. The land is required for bulk power transmission lines between Claireville transformer station and Cherrywood transformer station, roughly across the north side of Metropolitan Toronto.

The general route of the transmission lines was established by Dr. Solandt during public hearings between 1972 and 1974. West of highway 48, the route was determined in detail during the parkway belt west planning and public participation process from 1973 to 1978. This route was given legal force by the parkway belt west plan, which was released on July 26, 1978. The Solandt route from Claireville to Cherrywood was incorporated in order in council 1466/78 on May 17, 1978, which authorized the Ministry of Government Services to acquire land on Ontario Hydro's behalf. Since that time, negotiations have been proceeding with the affected owners and many of the required properties have been purchased.

In September 1978, the Premier (Mr. Davis) and my predecessor as Minister of Energy (Mr. Auld) met with representatives of the towns of Vaughan and Richmond Hill to discuss their concerns about the transmission lines which pass through those municipalities. During these meetings it was agreed that: (1) Ontario Hydro would be requested to consider adjusting the route of the transmission lines to move them further away from properties on Longbridge Road; (2) Ontario Hydro would be requested to re-evaluate the feasibility of burying the transmission lines underground between Yonge Street and Bayview Avenue; (3) Ontario Hydro and the Ministry of Transportation and Communications would review the possibility of design compromises which would minimize the visual impact of the transmission lines, particularly where they intersect with Yonge Street.

These three reviews were completed some time ago and have been discussed with the municipalities, members of the provincial Parliament and other interested groups.

I am very happy to announce today that some of the local concerns have been met by increasing the separation between the transmission line and the homes on Longbridge Road through a new alignment developed by the parkway belt steering committee. This new alignment is not without its disadvantages, including some crowding of the highway and transmission facilities and the reduction of further design flexibility. Nevertheless, in view of the concerns expressed, the government has approved the new alignment as an acceptable compromise. I will be tabling a copy of the steering committee realignment report today.

Unfortunately, a thorough examination has demonstrated that it is simply not feasible to bury the 500-kilovolt cable transmission lines, both for economic and technical reasons. These reasons are set out in detail in Ontario Hydro's study of undergrounding, which I am tabling today.

It is also unfortunate that the visual impact of the transmission lines at Yonge Street cannot be significantly improved. To date, no one has discovered a way to make a transmission line look more beautiful.

On the basis of all of the extensive public reviews which have already taken place, my colleague the Attorney General (Mr. McMurtry) is today tabling in the Legislature an order in council providing that the expropriation west of Highway 48 will proceed without a further public inquiry. With respect to the route of the transmission line east of Highway 48, different considerations apply.

Although there was a general review of this route by Dr. Solandt, the location of the parkway belt has not been determined east of Highway 48 and there have been no hearings under the Parkway Belt Planning and Development Act. However, following a review co-ordinated by the parkway belt steering committee, the general route of the

transmission line recommended by Dr. Solandt was adopted by the government. As I mentioned earlier, order in council 1466/78 gives the Minister of Government Services authority to acquire land for Ontario Hydro in this general route.

I should also advise members that at the request of the Box Grove Ratepayers Association the parkway belt steering committee has examined three alternative routes near Box Grove. The steering committee's report, which I am tabling today, supports the route on the north side of the railway tracks. This is the route incorporated in order in council 1466/78. The route south of the railway tracks was not recommended, largely because of the number of homes that would be affected. The third alternative route would add considerably to the length and cost of the transmission line and was considered inferior for this reason. It was also not recommended by Dr. Solandt. The Box Grove Ratepayers Association has asked for clarification of certain matters in the report and this will be undertaken shortly.

As members know, it is the policy of the Ministry of Government Services to negotiate the purchase of land wherever possible and to use expropriation only as a last resort. Most of the land east of Highway 48 required for the transmission lines is already owned by the province as part of the North Pickering community. Rights of way have also been purchased from two private land owners and negotiations are continuing with the remainder. However, notice of the application to expropriate has now been served. Land owners east of Highway 48 whose properties are subject to expropriation may now request an expropriation inquiry.

As the approving authority, I may not make a final decision on the precise alignment of the transmission lines east of Highway 48 until after all land owners subject to expropriation have had an opportunity to be heard in an expropriation inquiry. It is anticipated that should such an inquiry be requested it would be held early next year. Following receipt of the inquiry officer's report, I will then decide whether to approve the requested expropriation.

Perhaps in keeping with the statement, I should table the following reports relating to the Ontario Hydro Claireville to Cherrywood transmission line: First, the report of the parkway belt steering committee on redesign of the parkway belt west, Bathurst Street to Bayview Avenue, May 1979; and second, the report of the steering committee on Ontario Hydro, 500-KV transmission line, Claireville to Cherrywood Box area, January 4, 1979; and third, the feasibility report on high voltage underground cable installation, parkway belt west, October 1978.

ALGOMA CHILDREN'S AID SOCIETY

Hon. Mr. Norton: Mr. Speaker, I wish to make an announcement today regarding the ongoing labour dispute at the Algoma Children's Aid Society.

Further discussions between the parties took place last week with the assistance of the Ministry of Labour. I have now been advised by the Minister of Labour (Mr. Elgie) that these discussions have not been productive and that there is very little hope of a settlement in the near future.

At the same time, we have been advised by both the board of directors and by the local director that they are encountering major staffing difficulties in ensuring that high risk protection cases are served, particularly after over five months of withdrawal of services and with the holiday season approaching. Stated simply, some children will be in serious jeopardy if present emergency staffing levels are permitted to fall to the level anticipated over the next few weeks.

Over the past few months I have repeatedly stated to the House my concern that this not occur, and I have stressed the statutory obligation I have under the Child Welfare Act to ensure that essential child welfare services are provided. Given this situation, the government has decided, therefore, to undertake the following courses of action:

First, the ministry will continue to assist the board and local director to secure their own staff to provide emergency assistance. My staff will be discussing with the board and the local director what further actions must be taken to obtain such staff. In addition, we will be reviewing the situation on an ongoing basis in order to determine exactly what number of persons need to be present to deal solely with high risk cases.

Second, as of today, a small number of government staff with child welfare experience will join the agency to resolve the emergency situation which exists as we enter the holiday period.

It is hoped that help from our personnel will be short-term in nature until the board and local director are able, with our help, to secure external staffing to provide essential services. However, I want to be clear about my commitment to do what is necessary to ensure that the obligation I personally have under the Child Welfare Act is met; it is an obligation which I have both in law and in conscience.

I would stress, as I have on all previous occasions, that the assistance we are offering is solely because children, particularly children at risk of physical and emotional injury, should not be left to suffer serious harm as a result of this labour dispute. In my view, this is very different from actions taken to support one side or another in that dispute.

I am personally very unhappy that the strike has continued for the length of time it has. It was my hope that the recent discussions would have been more productive than they apparently were. Having said this, I have no hesitation about adopting the course of action which I feel the Child Welfare Act demands that I follow while this dispute continues.

In the meantime, I would urge the parties to take all possible steps to bring this dispute to an end. The Minister of Labour assures me that his officials will continue to be available to provide all possible assistance to the parties.

PROVINCIAL SPORTS POLICY

Hon. Mr. Baetz: Mr. Speaker, as Minister of Culture and Recreation, one of my most important responsibilities is to ensure that Ontario has a cogent policy for sport, fitness and physical recreation.

[2:15]

Such a policy must be sensitive to the times; and it must ensure that the greatest possible number of men, women and children have access to provincial government sport, fitness and physical recreation resources. It must ensure that talent can develop fully; that those who have the gifts and desire to excel will have the opportunity to do so. It must also ensure that the people of Ontario who pay the bills get the very best value for every tax dollar that is devoted to the field.

As honourable members know, the Ministry of Culture and Recreation is almost five years old. In that time, my ministry and others have been involved in the development of a number of inventive sport, fitness and physical recreation programs. Today it is my judgement that we have reached the point at which we need to step back for a moment, take a fresh look at what we're doing overall, assess its effectiveness and chart some directions for the future. It is therefore my great pleasure to announce that I am appointing Mr. Douglas Fisher of Ottawa to review our amateur sport, fitness and physical recreation situation and to advise the government through me.

Mr. Fisher, in my view, is uniquely qualified for this assignment. He is a well-known newspaper columnist and media commentator. Many honourable members will be aware that he is a former member of Parliament, a former chairman of Hockey Canada, and a founding director of the Canadian Coaching Association of Canada. He has had a lifelong interest in sports.

The government does not believe that Mr. Fisher's review needs to be long, costly and tortuous. Consequently, he will start his review on January 1, at which time he will relinquish some of his present duties, and his appointment will terminate on May 31.

He will be responsible for considering the state of amateur sport, fitness and physical recreation in Ontario generally.

He will be particularly concerned with making recommendations designed to support and extend both participation and excellence. In that broad context, he will make recommendations concerning: The most effective means of utilizing provincial, local and institutional resources that are available now; the most appropriate mechanism for ensuring that the efforts of the federal government, provincial government and local governments, organizations and institutions are complementary and harmonious; and the ways that government can best co-operate with voluntary, corporate and individual efforts.

Mr. Fisher will be assisted in his work by members of my ministry's staff. Mr. Fisher will be contacting all parties in this House. I hope that all parties will give him the benefit of their experience and counsel.

I know all honourable members will join me in looking forward to the insights that Mr. Fisher will be bringing to the province with his report on sport policy.

GAS AND OIL PRICES

Mr. Bradley: Mr. Speaker, I rise on a point of privilege that arises out of an exchange in the House on December 11, and is found on page 5373 of Hansard as follows:

I asked a question of the Premier: "Would the Premier assure us he would use his good offices as the Premier of Ontario to help persuade the oil companies not to charge an additional 25 cents, if that is the price, excise tax on those supplies of fuels that are presently in the service stations."

The Premier replied, and I'll take a brief excerpt out of it:

"Mr. Speaker, I really can't believe the member for St. Catharines would advise me to counsel the companies to break the law. If a federal tax is imposed, whatever hour it is imposed, people have to pay it. That is a reality, that's something I hope even the

honourable member will understand. I know it's hard, but that happens to be the fact. I can't advise anybody not to pay a tax and I would advise the member not to advise anybody not to pay the tax.

"With respect to the second part of the question, which has a little more logic than the first part of the question," and it goes on, Mr. Speaker.

I merely rise in light of the headlines which appeared in the weekend newspapers in which the federal Minister of Finance, in that case Mr. Crosbie, was quoted to say: Don't Pay Higher Gas Tax.

What I want to point out, Mr. Speaker, is that I was not counselling any one to break the law of this province. I was merely asking the Premier to intervene at a time when it would have been very useful and we wouldn't be in the difficulty we're in now in terms of rebating that money.

Hon. Mr. Davis: Mr. Speaker, I'll answer that very briefly, because I understand the member's point of privilege. When I say I understand it, my recollection was the member had urged me to tell people not to pay the tax. I think that's really what was suggested at that particular time. As is the tradition here when a budget comes down, the law has always been interpreted that the cost takes effect the day of the budget. If the Treasurer or the Minister of Finance so stated, if Mr. Crosbie in his wisdom has said that the tax will not apply, that is up to him. Being one of those who pays the tax, I am delighted that it doesn't apply.

With great respect to the honourable member, when I gave him that reply last week that was my impression of the law and the policy of the government of Canada. While he may deem it a point of privilege, I think in fairness he should understand what he is saying today in the context of when it was delivered last week.

Mr. Speaker: Order, the honourable member was given the opportunity to explain his point of privilege. He did it fully, and as he should do.

Mr. Nixon: Point of order.

Mr. Speaker: There's nothing out of order.

Mr. Nixon: Mr. Speaker, I'm afraid that the House may be misinformed as a result of the Premier's comments.

Mr. Speaker: There's really nothing out of order. If you have a point of privilege—

ORAL QUESTIONS

FEDERAL ELECTION

Mr. S. Smith: A question for the Premier: the Premier is undoubtedly aware of the statement attributed to his Treasurer (Mr. F. S. Miller), who is said to have said, according to the Toronto Star: "The time has come for some hard bargaining with Prime Minister Joe Clark." The quote attributed to the Treasurer is, "Our support should be, let's say, predicated upon their doing what we believe is right."

Is the Premier intending to accept the advice of his Treasurer? Is the Treasurer alone among all the ministers in taking that point of view; is the Premier determined to give unquestioning party loyalty type support to Mr. Clark, irrespective of what his policies are for the people of Ontario?

Mr. Riddell: As Hugh Winsor says, "Blood runs thicker than reason." I thought that was a pretty good quote.

Hon. Mr. Davis: Mr. Speaker, I'm delighted the member for Huron-Middlesex is so influenced by that distinguished columnist in the Globe and Mail and that he will always accept what he says. I can quote some things he has said that he might not agree with.

Getting back to the—I don't know whether it was the leader's question or opportunity for political statement—I haven't seen that particular report in the Star, and I apologize for that because I always read the Star very thoroughly, from cover to cover, but I am not familiar with that particular quote. If the Leader of the Opposition is saying that this government will continue to press this point of view, even though there is an election campaign on in respect to a number of issues, the government, of course, certainly will.

Mr. S. Smith: By way of supplementary, since the Premier stated on September 15: "We took the view that to have a price increase which generated the kind of cash for the government of Canada, foreign oil companies and the government of Alberta which they could not possibly reinvest quickly enough to solve energy security problems, would be a mistake and a distortion and a clear raid upon the spending power of the average citizen of this province and of Canada as a whole," could I ask the Premier whether he feels that the price increase which has been put forward in the budget is in that category or whether he now finds that price increase reasonably acceptable?

Hon. Mr. Davis: There are two points I think should be made relative to the question and following our exchange last Friday, when the Leader of the Opposition asked me whether I intended to support our federal leader? I said that I intended to. He then seized the occasion to tell me he was going to support their federal leader, who interestingly enough may turn out to be the same gentleman he didn't support last time, probably voted against, and who he said at the Ontario Institute for Studies in Education was doing the country a great service by retiring. I expect the member will remember all of those things over the next couple of months.

That gentleman and that government, incidentally, like the member himself, was committed to world price for oil. Further, in terms of the basic issue about which I have expressed concern, that of distribution, the former government of this country had taken no steps; in fact they had established the regime which has presently led to the concern that this government has expressed over distribution.

If the Leader of the Opposition is asking if I'm content with the $4 that has been suggested—there has been no agreement concluded for 1980—of course I would prefer that be a lower figure. We argued vigorously for the maintenance of the existing agreement, which calls for one dollar on January 1. The government of Canada, and apparently the government of Alberta if they are close to an agreement, have accepted that point of view. They also accepted the $2 on July 1, which we had not argued for, and $1 October 1.

I think it fair to point out that the distribution of that $4 has not yet been determined. Part of the argument contained in that quotation read by the Leader of the Opposition did relate to the question of distribution and the question of security of supply. Security of supply relates to how much of that $4 will in fact be reinvested, what portion used by the province of Alberta in terms of the infrastructure support for any synthetic plants that may come on stream in the tar sands and what portion was to go to the oil companies under what conditions. If the Leader of the Opposition reads that quotation carefully, if he reads what the federal budget has said carefully, he will find out that in fact there has been no determination of three of those points, so it is very difficult to answer that question until that determination is made.

Mr. Cassidy: As someone who supported Ed Broadbent in 1971, supported him in 1975 and supports him unequivocally today, Mr. Speaker, I don't have the schizophrenia of my psychiatrist friend.

My supplementary to the Premier is this: Since the Prime Minister said on Friday that the federal budget will be the centrepiece of the Conservative Party's federal election campaign, the budget which both the Premier and the Treasurer so roundly condemned last Wednesday and last Thursday, would the Premier say whether the government has now changed its opinion of that budget or whether he is going to campaign for Joe Clark while continuing to condemn his budget?

Hon. Mr. Davis: I am delighted to hear the leader of the New Democratic Party is going to support his national leader. I would have been surprised if he had done anything else. At least he has been consistent in that, unlike the leader of the Liberal Party of Ontario who, when he senses the weather is a little tough, is right behind them until their nose bleeds, then when it starts to bleed a little bit he sort of fades into the woodwork as he did in the last election. We had difficulty finding him during that confrontation. I am delighted to know that he will be on every platform with Pierre Elliott Trudeau if he is his leader in the next couple of months.

If the leader of the New Democratic Party reads very carefully what the Treasurer of this province said about the budget, he said some very positive things and some negative things. It may come as a bit of a shock to the New Democratic Party, but I can't recall, even in the years when there was another administration, when the Treasurer of this province unanimously accepted what was contained in the federal budget.

The only budgets I have ever been totally in support of have been those delivered by whoever happened to be geographically on my left as they were presented in this House, and they were all exceptional budgets. I supported every last one of them.

I really don't think it should come as any surprise or contradiction to find us objecting to certain aspects of the federal budget. Because the honourable member's party leader determined, for whatever reason, along with Mr. Trudeau, to force the people of this country into an election at this precise time —which was totally irresponsible of those two gentlemen in my view, to thrust the people of this province and of this country into an election in mid-February—I don't know why you would find it inconsistent for us to be supporting our national leader, even

though we object to certain portions of the budget. We do, without any question.

I would also point out to the leader of the New Democratic Party that there are some of his friends in the great province of Saskatchewan, philosophically speaking who quite obviously accept some portions of the budget.

[2:30]

I might ask the leader of the New Democratic Party if Mr. Broadbent is going to go into Saskatchewan and say he doesn't agree with some aspects of the oil pricing policy? I bet he doesn't.

Mr. T. P. Reid: How does the Premier intend to reconcile an even deeper division between himself and Joe Clark on the question of what Canada is all about and the need for a strong central government as opposed to balkanizing Canada by giving more powers to the provinces? Again I would remind him of his quotation in his speech about nation building as opposed to province building. How is the Premier going to deal with that most fundamental division between himself and Joe Clark?

Hon. Mr. Davis: Mr. Speaker, I never mind answering a question twice. It gives me an opportunity to remind the honourable member that is exactly what he asked me on Friday, almost word for word. I will try to vary the answer just slightly to add a little bit of interest, because I guess the honourable member is concerned that it wasn't reported via the television back in his own home constituency.

Hon. Mr. Welch: The Rainy River Review.

Hon. Mr. Davis: It wasn't in the Rainy River Review?

Mr. T. P. Reid: It wasn't answered anyway.

Hon. Mr. Davis: The Minister of Energy tells me it wasn't in the Rainy River Review over the weekend.

Mr. T. P. Reid: It was headlines.

Hon. Mr. Davis: Oh it was headlines, was it? Well anything to help a member of his family, I understand that. Blood runs thicker than water, as his colleague says. I expect he will be on the hustings if no one else in his party is.

I have expressed a point of view which does concern me. That point of view is the tendency that has developed, not in the past six months with great respect but over a period of time, where as a country there has been a tendency to emphasize, shall we say the growth or the functioning or the development of provinces, not as opposed to but on occasion perhaps inconsistent with what I think should be national objectives.

If the member would just think back, and people's memories are very short, the previous government of Canada did very little to bring other parts of this country together. Its economic policy never had any stated objective, any economic goals; it never had an energy policy. I am very tempted to become provocative and almost partisan when I am asked such a question as this, but please think back to the total lack of policy: no commitment to energy self sufficiency, no determination of the difficulty of distribution by the previous government.

I am concerned, and I have expressed that concern. I believe I will continue to express concern; nothing that the present Prime Minister of Canada has done has altered, in terms of the federal posture, what had been going on before.

PHYSICIANS OPTING OUT OF OHIP

Mr. S. Smith: A question of the Premier in the absence of the Minister of Health: In view of the decision which seems to have been reached regarding the increase in the OHIP fee schedule, a nine per cent increase, I believe, plus a certain amount of money in addition to make up for certain deficiencies, can the Premier tell us what commitment the government has received from the Ontario Medical Association that the medical profession will opt back into the OHIP plan, at least in the number that traditionally has been the case, around 90 per cent or so? What commitments has he received that the OMA will advise its members to opt back in and that in fact the members will do so?

Hon. Mr. Davis: In that the honourable Leader of the Opposition is a member of that particular profession himself he will understand that the OMA, as a matter of principle, for many years has not urged its members to opt into the plan. My expectation is that in terms of their official position, as a matter of principle, and I am not familiar with the detailed discussions, I doubt that was ever a part of the negotiation in any strict sense of the word.

The figures the minister has used very recently, I think in response to the Federation of Labour brief that was presented to us last Thursday, indicated, and I am only going from memory, that not only had the figures stabilized but there had been some modest decrease in the number of doctors who had opted out of the plan.

It is our expectation, Mr. Speaker, that because of the settlement that has been

reached, because of the adjustment that is being made—internally as I understand it, within OMA—and because their fee schedule gives a greater priority to the general practitioners in terms of the fees they receive, these factors will not only stabilize the situation but it is to be hoped will encourage some of those doctors who have opted out to return to the plan. As I say, Mr. Speaker, the indications are that it has already stabilized and there has been a modest decrease.

Mr. S. Smith: By way of supplementary, Mr. Speaker, may I ask a two part question of the Premier? Is he, in the first place, satisfied that the fee schedule now agreed upon is comparable to those of the neighbouring provinces, Quebec and Manitoba for example? If he is so satisfied, as the second part of the question may I ask whether he is satisfied with the situation where about 17 or 18 per cent of the doctors are opted out of the plan? Is he going to take some action to get those doctors back into the plan, at least back up to the 90 per cent that used to exist, or is he satisfied if the number is merely stabilized at the present level?

Hon. Mr. Davis: Mr. Speaker, of course we would prefer that the numbers opted out decrease. I think one of the interesting figures that was used—and I may be wrong in this, I am only going by memory from last Thursday—was that since last April, of the some 38 million OHIP claims only nine per cent of the fees charged were in fact over the OHIP schedule. So while we had 17 per cent of the doctors out—I don't have the exact figure—only nine per cent of those claims involved fees above the OHIP schedule, which I think gives a slightly different perspective to it.

If the Leader of the Opposition is asking are we content, no; we would prefer that the figure go down. I can't guarantee him it will, but the feelings on the part of those who negotiated this agreement were that because of the added incentive or fee increase to the GPs, that the potential for a diminishing of that figure is there. I can't guarantee, of course, that it will happen.

Mr. Cassidy: Since the president of the OMA, in his immediate reaction to the negotiations, said that there was little chance the fee settlement would lead doctors to come back into the plan, would the Premier explain to us how is it the government could negotiate a deal that took doctors' salaries to a net of more than $60,000 a year in 1980, an agreement which will cost the taxpayers of this province $140 million additional in 1980, and yet the government could not lift a finger to get an agreement from doctors that they would come back into the plan and would not seek an agreement from the doctors to get on side, to stop extra billings and to take away this single greatest threat to universal accessibility under medicare?

Hon. Mr. Davis: Mr. Speaker, as I say, we are continuing to work with the OMA to achieve a reduction in the numbers. I think it is fair to state that the president of the OMA is himself an opted-out physician. It may be that would account for part of his own personal point of view as he expressed it. I would say to the leader of the New Democratic Party that unlike him, and he would bludgeon the medical profession of this province to conform to his own particular point of view, we don't intend to do that. We think there is still some individual freedom in this province and that includes freedom for members of the medical profession. I know he doesn't agree with that; I know he would put them all on salary, I know that he would have them all as public servants. I understand that he would bludgeon them into the plan by saying, "If you don't do it we are not going to give you any money."

I would say to the leader of the New Democratic Party that attitude or indication of how he would deal with people, really indicates to me very clearly that while he is in total support of Ed Broadbent he should be more concerned about what his party is doing for the people of this province. That attitude would be totally divisive. It would be divisive in this province and we don't expect we need to do it.

Mr. S. Smith: Supplementary, Mr. Speaker: I take it from the Premier's answer that he is not satisfied with the present level of opting out and hopes that the new arrangement will attract a substantial number of physicians back into the plan. I can understand that policy, but I ask the Premier whether he has set a target in his own mind and whether he has set any time factor in his own mind for judging this? In other words is he giving the doctors, shall we say three or six months to get back up to 85 or 90 per cent in the plan? What are the guidelines he has in mind before some other form of action might be required to draw them into the plan?

Hon. Mr. Davis: Mr. Speaker, I go on the assumption that if people are reasonable you have reasonable time frames. We have set no time frame for the medical profession. I think the Leader of the Opposition above some others, with the exception of two in

this House who probably may have even a greater awareness of it than himself, would understand that if we did this we would never achieve what I think is a realistic and reasonable agreement.

I have no set figure. I would like to see a reduction, the Minister of Health would like to see a reduction, and we think the supplement that has been arrived at will create the kind of climate that will encourage members of the profession to opt back into the plan. We have no time table per se. We will evaluate it month by month to see how we are progressing.

Mr. Cassidy: Final supplementary.

Mr. Speaker: As long as it is not a repetition.

Mr. Cassidy: Since the Premier talks about the freedom of the doctors, can he explain why it is that health-care workers across this province, getting an average increase this year of about $1,000 per annum, do not enjoy free collective bargaining rights; whereas doctors getting an average increase of $5,600 in their net income are still free to charge 42 per cent more than that by charging the Ontario Medical Association tariff?

Can the Premier explain why it is that consumers, who should be free to get medical care under our OHIP scheme in Ontario, are too often intimidated from going to the doctor for fear of running into an opted out doctor who will bill them at a price they cannot afford?

Hon. Mr. Davis: As I tried to say to the leader of the New Democratic Party, who himself was there listening to the discussions last Thursday, I may be wrong in my figure but I think it was around nine per cent of doctors who were actually billing above the OHIP fee schedule. That is subject to correction.

I question whether the leader of the New Democratic Party is correct that people are intimidated from going to see doctors. Certainly the figures don't substantiate that nor do the numbers of people who at this precise moment are either in hospitals or in doctors' offices.

I take exception to the observation made by the leader of the New Democratic Party that those people who are very important employees in our hospitals are not part of a free collective bargaining process. He can argue because there isn't a right to strike in some situations that this is not free collective bargaining; in my view it is and they have had free collective bargaining. I guess we will just differ on the interpretation.

FEDERAL BUDGET

Mr. Cassidy: Mr. Speaker, I want to ask another question of the Premier. Since the Premier has now confirmed the overall opposition to the federal budget, which was enacted by himself and also by the Treasurer during the statement he gave in the Legislature on Thursday, would the Premier tell us whether representatives of this government intend to go on the hustings with Joe Clark over the course of the next 60 days to reiterate the fact that the federal budget will cost Ontario 20,000 jobs, to reiterate the fact that the budget will raise inflation by 1.5 per cent, and to reiterate the fact that over the next four years the increases in oil and gas prices and taxes enunciated in the federal budget will take $16 billion from the people of Ontario? That is the equivalent of three Alberta Heritage Savings Trust Funds. Will the Premier be taking that message to the people of Ontario during the course of the federal campaign?

Hon. Mr. Davis: I would suggest to the leader of the New Democratic Party that he take what message he wants on the hustings with his leader. I don't think it will make any difference as a matter of fact but take it, and just watch and see what I or any of my colleagues say during the course of the campaign.

I don't really want to reiterate what I have said already, not only today but on Friday. Just to restate, though, because the honourable member has asked the question, that there are some parts of the budget to which we object. There are some parts of the budget, and he had better be very careful in his overall condemnation, about which a number of people are quite content. I think it is fair to state that even some people who might philosophically support his party, but not necessarily himself, would have that particular point of view.

[2:45]

I would just urge the member that if he wants to fight the election campaign in this Legislature that's fine, but I would just suggest I'll wait to hear what he says on the hustings, if anything, and the member might also wait to hear what I say.

Mr. Cassidy: Supplementary: On Thursday in this Legislature, in talking about this government's commitment to Ontario consumers, the Treasurer said, and I quote: "Whatever the government in Ottawa, despite our political affiliations, the government of Ontario's responsibilities and duties remain constant."

On Friday, Mr. Speaker, the Premier said, and I quote: "I am a Conservative, I remain a Conservative and my support will be for the national leader of our Progressive Conservative Party."

Would the Premier tell the House and the province which comes first, his duties to his national leader or constancy to the people of Ontario?

Hon. Mr. Davis: Mr. Speaker, obviously my duties are to the people of this province, but I also have a duty, not just because of our system, in spite of differences to support that party and those people, I feel can best do the job. I have to say to the member, very frankly, that if he expects me to support the leader of a national party that is committed to nationalization and that is committed to limiting the freedom of individuals, if he expects me to support a policy that would lead to economic chaos for this country, if he expects me in any way to endorse his candidate, then I have to say to him "You are all wet"; and I think the people of Canada will say the same thing.

Mr. S. Smith: I would like to ask a supplementary question on this matter of possible conflict between one's role as a party leader and as the Premier. I believe, Mr. Speaker, and I say this without being provocative, that the Premier genuinely feels that the appropriate way for leaders to behave is to be loyal at election time to one's party, and then to fight as hard as possible to influence policy afterwards.

I understand that but I would ask this: Doesn't the Premier agree that the circumstances are different in this instance? In this instance the fight has already occurred. It occurred on national television and on every possible podium and platform. The policy has already been enunciated and would this moment be the law of land, except for the somewhat unanticipated events of last Thursday night in Ottawa. Therefore doesn't the Premier agree that on this occasion he has a somewhat unique situation of possible conflict between his party loyalty and his loyalty to the Ontario public? He lost the battle, but now unexpectedly he has a second chance. Why won't he use the second chance?

Hon. Mr. Davis: Mr. Speaker, if the honourable Leader of the Opposition really thinks that a second chance exists—and one always hopes that while there are times to re-evaluate situations, that people can change their points of view, if not in terms of a total program in terms of some aspects of it, I always live in that sort of expectation—I would say to him with respect that if he is saying to me as Premier of this province that I should abstain from voting, not be involved, I have to tell him that if I have to make a choice between the present government and what his friends did not do in terms of the economic policy of this country—and he knew what their energy policy was; it hasn't changed yet he tells me on Friday, and I know why he's changed his mind, that he's going to support his federal leader whoever it may be—I would only say to him, with the greatest of respect—which is not really what I mean, I'm just trying to get his attention—that he should really assess what he has said in the past and what their policy was in the past. My view is that even though he will support his national leader, in conscience he will end up voting for Joe Clark.

Mr. Cassidy: Mr. Speaker, the Premier has disturbed me greatly. I didn't expect him to endorse so heartedly every aspect of Ed Broadbent's campaign, but I have heard him distinctly say in this Legislature that he believes, as Ed Broadbent does, that Petro-Canada should remain in public hands and not be sold off to the private sector the way the Joe Clark government is planning to do.

Is the Premier now reneging on his commitment to keep Petro-Canada in the public sector, or does he intend to campaign for Joe Clark so Joe Clark can take Petro-Canada out of the public sector, despite the Premier's opposition?

Hon. Mr. Davis: It is not often, probably, that Mr. Broadbent agrees with me. I think that was really the historical way it happened. I still believe in the retention of Petrocan, and I am delighted to see the member's national leader has endorsed my point of view.

ALGOMA CHILDREN'S AID SOCIETY

Mr. Cassidy: I have a question of the Minister of Community and Social Services arising from his very unfortunate announcement today about the decision of the ministry to send strikebreakers into the dispute at the Algoma Children's Aid Society in Sault Ste. Marie.

Could the minister say how much has been spent by the ministry in relation to this dispute up until now; how much is the ministry planning to spend to send strikebreakers into that dispute with the announcement today? Why won't the government take all those funds and allocate them to the Algoma Children's Aid Society so this strike can be settled and the regular work of the society can get back on the track?

Hon. Mr. Norton: I explained the situation, I thought, rather clearly in my statement. I realize the honourable member opposite responds with a knee-jerk reaction every time there is any reference to providing essential service during a period of withdrawal of service by employees of an agency. Nevertheless, this is clearly not a strikebreaking situation.

What we have here are children who are perceived to be or who may be in the next couple of weeks placed in a high-risk situation. I have a mandate as legislated by this Legislature as does my ministry and this government, to ensure that children are not at risk in this province. I fully intend to discharge that responsibility.

If that does require, during a period of withdrawal of service in a labour dispute when the parties seem not to be able at this time to resolve their differences, that my ministry respond in a way that will ensure children are not at risk, then we will do that. I am sure the people of this province would never forgive me if I didn't take action and one of those children suffered. I feel the people of this province would expect me to discharge the mandate this Legislature has given me, and I fully intend to do that.

I will not be engaged in strikebreaking.

Mr. Cassidy: You are.

Hon. Mr. Norton: However, I would suggest to the member that his proposal is more clearly strikebreaking than what I am doing to ensure the security of these children. The member is suggesting I inject myself into the middle of that dispute and come down squarely on the side of one party or the other. I am not going to do that.

What I will do is what I am doing; and that is to ensure that the children in Sault Ste. Marie and Algoma are not in a risk situation as a result of the protracted dispute. I will continue to do that and will spend whatever is necessary to protect those children. But I will not engage in strikebreaking or come down on one side or the other. Those parties must assume their responsibility in this dispute and come to a resolution of their differences themselves.

Mr. Cassidy: Supplementary: Before this House is flooded with the minister's concern about children in the Sault area and Algoma area, is the minister not aware this dispute could have been settled four months ago with $20,000, but could not be settled then because the Algoma society did not have the funds to do so as a result of the cutbacks by this ministry? Is the minister not aware his ministry injected itself into the dispute from the very beginning? It was the cutbacks imposed by this government which led to that labour dispute, which prolonged that labour dispute and which have kept children in that area at risk over the course of the entire five months.

Why won't the minister bring this matter to a conclusion by ensuring there is adequate funding so the Algoma society can settle the dispute, rather than continuing the crisis conditions, which are bound to prevail so long as the society is on an emergency basis or so long as strikebreakers sent in by his ministry continue to be used?

Hon. Mr. Norton: Mr. Speaker, I wish to assure the honourable member that once again he is misinformed and misguided. I would like to point out to him that if he attributes this strike or the current situation to an issue of funding from my ministry he is wrong. That particular society has had an average of a 23 per cent increase each year since 1975. I'm loath to get into a discussion of specifics that are under negotiation at this point. I expect in the very near future—in a matter of a few days—there will be some statements made, not by me but by the parties.

At this point in those negotiations perhaps it is sufficient for me to say the offer on the table is the highest offer that has been made in that area of service anywhere in this province this year. The member should not accuse us of underfunding an agency which is in a position to make the highest offer anywhere across this province and put it on the table for negotiations. It seems to me there is room there for further discussion among the parties. I will not accept the allegation the member makes in terms of our responsibility in that situation. Those parties must assume the responsibilities they have as parties to that dispute and get down to business to resolve their differences.

Mr. Bradley: Could the minister assure the House he is not contemplating an action in the Niagara region, in the strike in existence with family and children's services, similar to the action the minister has undertaken in Algoma? Indeed the need is not there.

Second, would he also assure the House that his ministry will take whatever action necessary there to bring the parties together and bring about a resolution of that strike, which has been on now for a month and a half, rather than imposing a settlement himself?

Hon. Mr. Norton: Mr. Speaker, as we have been doing in Algoma, we have been monitoring very closely the situation in Niagara.

I would assure the honourable member that the circumstances appear to be substantially different.

I am assured that the levels of emergency service are being maintained very well in Niagara. From the inception, there has been a degree of understanding on the part of the striking employees and their bargaining agent with respect to the provision of services to children at risk. I am being kept briefed on a daily basis on the situation there. I do not believe there is any reason for my intervention in that situation at the present time.

If the member is suggesting that the services of the Ministry of Labour might be appropriately made available, I think that question might better be directed to the Minister of Labour (Mr. Elgie). At this point, I personally know of no specific requests that have been made to him, but if the member wants to redirect that question, the Minister of Labour could indicate the situation.

Mr. McClellan: I have a supplementary which I would like to redirect to the Minister of Labour. I would like to ask the minister, when his colleague says that as of today a small number of government staff with child welfare experience will join the Algoma Children's Aid Society, if the Minister of Labour will tell this House whether or not in his opinion the use of government employees in a legitimate, legal strike constitutes strikebreaking?

Hon. Mr. Elgie: Mr. Speaker, I think the Minister of Community and Social Services has made it clear that this is not a decision that was easily taken. He has a legislative and a legal responsibility to look after the care of children in the Sault Ste. Marie-Algoma region. He is living up to those obligations, with the assistance of the children's aid board and its executive director, to the best that he can. I don't consider that in this particular situation there is any strikebreaking activity.

CANADA METAL COMPANY LIMITED

Mrs. Campbell: Mr. Speaker, my question is of the Minister of the Environment, if I might have his attention.

Could the minister advise this House as to whether Canada Metal Company Limited has in fact now complied with the interim control order, which deadline was December 15.

Hon. Mr. Parrott: I don't have that information today, but obviously it's easy to get. I'll give it to the member tomorrow, in response to that question.

Mrs. Campbell: Supplementary: If the minister is going to try to find out whether they've complied, would he at the same time advise the House, if they have not complied, if he has instructed the staff to proceed legally in this matter?

[3:00]

Hon. Mr. Parrott: Yes, I'll confirm both; but I can assure the member that in this particular case there is not much doubt in the minds of staff whether or not I intend to proceed if the order is not complied with. The answer to that would be almost an automatic "yes." If we're talking about a matter of two or three days, or a very short period of time—and I do mean a very short period of time—then we might not proceed to court; but if we're talking about months then the answer is "yes."

AID TO CHRYSLER

Mr. Cooke: I have a question of the Minister of Industry and Tourism. I'm sure the minister is aware, and if he isn't I'll inform him, that Chrysler has announced that as of January 15 they will have no money to pay their employees their weekly salaries. I'm wondering now whether this minister will show some leadership and some guts and indicate to the Congress and to the President of the United States that they must act quickly and get involved in negotiations with Chrysler so that 13,000 workers are not put out of work?

Hon. Mr. Grossman: I think I will contact the President of the United States and let him know that he ought to be acting quickly so that in the event they do bail out Chrysler I can rise in this House and take credit for the action of the United States of America.

Mr. Cooke: Mr. Speaker, I'm surprised that the minister and the Premier take this matter so lightly. We're talking about 13,000 jobs. Instead of trying to score political points perhaps the minister will show some leadership.

Mr. Speaker: Does the member have a supplementary?

Mr. Cooke: Is the minister aware that as of January 15 there will be no money in order to pay the employees of Chrysler Canada? What is he prepared to do, especially in view of the fact that the federal government of this country no longer exists and the federal minister seems to indicate that he cannot and will not take any action until

the federal election is over? Will this minister contact the federal government and suggest that they go ahead and approve Canadian aid in principle, subject to American aid? Will he further contact the American officials and indicate his concern at their lack of action, since as of today the Congress apparently is not going to deal with this item until January?

Hon. Mr. Grossman: As I have indicated in this House before, we have indicated our intense interest to the federal government at all stages. We've indicated to the federal government that both they and this province ought to be poised to act immediately upon the United States ensuring that Chrysler Corporation will survive. That seems to me to encompass every single responsible move that a government in Canada, or in a province of Canada, ought to be taking at this time, and that is to put ourselves in a position to respond immediately upon understanding that there will indeed be a corporation in business with assets in Canada which need updating and improving.

The federal minister has been in as close contact with his American counterpart as he has been with me, and with Chrysler Corporation. All the facts are on the table and everyone is prepared to move. Everything awaits, however, action in the United States of America, in Congress.

Both Mr. de Cotret and ourselves have indicated to the appropriate officials in Washington that we think it's important that Chrysler Corporation be saved. I believe Mr. de Cotret, although the member would have to ask him, has indicated the willingness of the federal government of this country to do their part to assist in saving Chrysler Corporation.

I would say finally to the member, that the day I begin to take this lightly or play it for political purposes as he suggests, would be the day I send all of my mail with copies to the press gallery, as he does every day he writes expressing concern over the situation.

In the meantime, until I decide to play partisan politics I will do what I can privately with Mr. de Cotret and the federal govern- of the United States to try and emphasize the seriousness of the situation.

Finally I want to say one other thing.

Mr. Speaker: The minister said "finally" before.

Hon. Mr. Grossman: That was semi-finally last time, this is final. The least constructive thing is to have the leader of the member's party stand up and use figures for layoffs which include those workers who have been laid off twice for one-week periods, as he did last week in the debate, where he took two sets of lay-offs, involving 2,400 who were laid off for one or two weeks at a time at different times and called that 4,800 layoffs in the auto industry in Canada.

That, with respect, totally distorts the picture and does the Canadian automotive industry a very great disservice while we're trying to bargain the best deal we can for Canadian workers.

Mr. Ruston: A brief question: Can the minister assure us that he and the federal minister will take action immediately if something comes about in the United States within the next three or four days? Is he prepared to take action immediately when they approve it over there?

Hon. Mr. Grossman: Absolutely.

DURHAM REGIONAL ENVIRONMENTAL HEARING

Mr. Ashe: I have a question of the Minister of the Environment. As the minister is aware, the Environmental Assessment Board commenced hearings this morning in the town of Ajax, in the region of Durham in the riding of Durham West, to consider a proposal by the region to convert an existing sewage treatment plant to a plant that would service and treat liquid industrial waste, which is a problem we're all aware of throughout the province. The hearings are being carried on under the Environmental Protection Act and I've had some questions put to me—

Mr. Speaker: You said you had some questions put to you. Will you put one to the minister?

Mr. Ashe: That's what I'm doing, Mr. Speaker, putting a question put to me to the minister. The question is the appropriateness of the Environmental Protection Act versus the Environmental Assessment Act. Does the minister think it is necessary to be involved, in this case, with the Environmental Assessment Act? If not, why not?

Hon. Mr. Parrott: I think in this case that the Environmental Protection Act will serve the purposes of this hearing quite well and in complete detail. As the member knows, the plant is being modified. I don't think there's any doubt that a hearing will give all of the details and will fulfil the requirements absolutely completely. There's no need to have a hearing under the Environmental Assessment Act. The Environmental Protection Act will do that quite nicely.

Mr. Ashe: Supplementary: Will the Environmental Protection Act allow the residents to voice all of their questions and con-

cerns in the way of cross-examination of expert witnesses and members of the board?

Hon. Mr. Parrott: Yes.

Mr. Breaugh: Supplementary: When these hearings, which may well turn out to raise more questions than they answer, have finished, would the minister then be prepared to hold further hearings under the Environmental Assessment Act?

Hon. Mr. Parrott: No, and I'd like to amplify that a bit. The member says they may raise more questions than they'll answer. I must say to him that it's a disappointment that he didn't come to the open house, at least when I was there. I thought that week was a time when a great number of questions were answered. He may have been there, I'm not sure of that; certainly at the opening he wasn't. The report that I have is that that open house was very informative to the area residents, and certainly the hearing will supply any additional information. I hope the member will accept that this hearing is a very complete, full and open process.

FOOD PRICES

Hon. Mr. Drea: Mr. Speaker, on November 6 the member for Welland-Thorold asked if I could explain why Canadians are forced to pay $1.05 at Dominion Stores for a 17.6 ounce jar of Kraft Miracle Whip salad dressing while in the United States at a supermarket this is sold at 32 ounces for $1.07, or only two cents more than the smaller jar.

The honourable member compares a 17.6-ounce jar in Ontario to a 32-ounce jar in the United States, and there are some problems with this comparison. It hasn't to do with the obvious difference, it has to do with the difference in American and imperial ounces. I would hope that some people across the floor recognize there is a difference. Therefore a comparison is made between a 32-ounce US fluid ounce jar sold in the United States and a one-litre jar sold in Canada.

To proceed with the comparison, we have to convert the US 32-ounce jar into one litre. In doing so, we multiply 32 by 1.040843 times 28.41225. Believe me, I am not doing this for comic effect. I think the member will understand where we are going. This brings the price in the particular supermarket in Buffalo of a comparable one-litre product to $1.31 as compared to $1.56 in Canada.

The wholesale price in Ontario of a comparative size jar is 19.08 per cent higher than in the store in the United States. According to the figures we have, the production costs in Canada for the product are 17.3 per cent higher than in the United States, for four reasons. The ingredients cost more, especially the oils; the packaging costs more, because of double labelling; cardboard is presently in short supply, requiring long-term orders; and the production runs are shorter here. Therefore, the unit price at the factory is higher than in the United States. Also, there are transportation tax levels and so forth.

There is a 1.7 per cent gap between the 19.08 per cent higher price and the 17.3 per cent current higher production cost. This gap fluctuates, being affected by market conditions, which may move in opposite directions or at different time frames.

The product in the United States at that particular store was priced underneath the wholesale price. To prove that, the two products beside it were the 16-ounce jars of this product. The 16-ounce jars of the product were selling at that store for 79 cents each, whereas the 32-ounce was selling for $1.07.

I draw the attention of the honourable member to the Sunday Sun, where there is a coupon enclosed to buy Miracle Whip for a lower price than has been given to us in terms of the current wholesale price.

Interjections.

Mr. Speaker: Does the member for Welland-Thorold have a supplementary? I thought the answer was very complete.

Mr. Swart: I thought the answers were very complex. Although the imperial measurement of the one quart in Ontario and Canada differs to what it is in the United States, surely the minister must realize that one ounce in the United States is exactly the same as one ounce here. The jar in the comparison which I made had 90 per cent more in the United States, weighed on the scales in Canada.

I will send the minister the actual Canadian weight and perhaps he can then report back further in the House, after he has found out he is wrong in his weights.

Hon. Mr. Drea: I am magnanimous today. I went to great lengths to compare them by going to a litre so that there could be a comparison between products of exactly the same size in the United States and here to determine a unit cost.

Mr. Swart: You made four mistakes before in your office.

Hon. Mr. Drea: I say to the honourable member that he sent me a note which said the $1.07 was the wholesale price throughout the United States, not a special.

Mr. Swart: It wasn't the wholesale price.

Hon. Mr. Drea: Yes, he indicated it was. On the very day he bought that it was so obviously a special that if one bought the two 16-ounce jars to get 32 ounces in that store one paid proportionately very much more.

CORRECTIONAL SERVICES DISPUTE

Hon. Mr. Walker: On November 29 the honourable member for Brant-Oxford-Norfolk (Mr. Nixon) asked me about the increased number of problem inmates granted terminal releases or temporary absences in anticipation of the impending illegal strike by correctional officers. I assured him that problem inmates were not being released and I undertook to provide some figures for him of the people who were released by the temporary absence committee.

Half of the sentenced inmates, it should be kept in mind, serve sentences of less than 30 days and 85 per cent of them serve less than three months.

[3:15]

There are about 5,000 inmates in Ontario jails, and with 60,000 admissions a year we have 1,100 inmate turnovers a week. It would appear that approximately 400 persons, the majority of them serving sentences for relatively minor traffic and alcohol related offences, were granted temporary absences or terminal releases during the week ending December 1 and 2. All temporary absences were for periods of one to five days or one to 15 days. On the other hand, the terminal releases were granted only to persons who had fewer than 15 days to serve.

The figure, which amounts to an average of about eight inmates per institution in the 52 institutions, was understandably higher than the average 140 to 160 inmates per week, and that was because of the impending strike. In view of the impending strike and the likelihood that reduced numbers of managerial staff would be available to man the institutions, superintendents used their discretion to speed up the consideration of candidates for temporary absences and their transfers to community resource centres. This would allow the reduced staff at institutions during the strike to concentrate on the higher security inmates who needed their full attention.

I would remind honourable members that the temporary absence program has enjoyed a 98 per cent success rate over the past 10 years, there being some 82,000 temporary absences granted in that period of time.

ROYAL ONTARIO MUSEUM

Mr. O'Neil: I have a question of the Minister of Culture and Recreation. In view of the imminent closing of the Royal Ontario Museum and the subsequent loss of its contribution to the cultural aspects of life in Ontario, most notably to our children, would the minister not agree with me that the period of time during which the ROM is closed presents us with an unique opportunity to decentralize the cultural component of the ROM by distributing some of its exhibits to the hundreds of small museums and communities where the population may have never had the opportunity to see what the ROM has to offer?

Hon. Mr. Baetz: Mr. Speaker, that plan has been considered. I am pleased to report that a good number of the exhibits will be distributed, although obviously many of the major exhibitions cannot simply be dismantled and sent over the province like a Fuller brush. The major exhibitions cannot be disassembled, but certainly those that can be sent out and placed in the museum mobile will be sent out and will be displayed.

Certainly as the minister I have already had several meetings with the ROM board and with the director to encourage them to do as much as they possibly can during the period when unfortunately, but for good reasons, some of the ROM in Toronto will have to be closed.

Mr. O'Neil: Supplementary: I am not speaking about a Fuller-brush approach and I am not talking about the mobile unit. I think there are many other displays within the ROM itself that could be shipped out, either by truck or by train or by other means. I would ask the minister to consider that. I would also ask if he wouldn't be more explicit in what he is going to send out. When the minister is considering that, would he be open to the suggestion of providing Wintario funding to sponsoring groups in both smaller and larger communities who might apply to the ROM for displays of this type during the time the ROM is closed?

Hon. Mr. Baetz: As I have indicated, certainly the concept and the plan is a good one. It is one that we have already looked into. We will try to implement it as much as we possibly can. As far as the other proposals are concerned, I will certainly take them under advisement.

TRANSPORTATION OF NUCLEAR WASTES

Mr. Foulds: I have a question, if I can get his attention, of the Minister of Energy,

with regard to the transportation of nuclear wastes in Ontario. Can the Minister of Energy give a full report to the Legislature today, or at least before Friday when the House adjourns, on the transportation of high level radioactive wastes through northwestern Ontario from the Bruce nuclear complex to the Atomic Energy of Canada Limited research facility at Whiteshell?

In particular, can he respond to the reports in last Friday's press and media in Thunder Bay that indicated Ontario Hydro was transporting spent fuel bundles from Bruce to Pinawa in a truck that was: (a) reported to be exceeding the speed limit; (b) did not have a police escort; and (c) that Ontario Hydro had not notified the Ontario Provincial Police, or I believe Emergency Measures Organization officials or municipal officials along the route that that shipment was taking place?

Hon. Mr. Welch: Mr. Speaker, I will take that question as notice.

Mr. Foulds: I have a supplementary, Mr. Speaker: While the minister is taking that question as notice, can he indicate how many shipments Ontario Hydro has engaged in since the Ontario-federal waste management agreement was signed a year ago last June; and can he assure us that he will give us a full report before the House rises?

ALLEGATIONS RE BRANT COUNTY BOARD OF EDUCATION

Mr. Nixon: I have a question for the Minister of Education which also involves the Attorney General (Mr. McMurtry). Is the minister going to make any response by way of either announcing an investigation or refutation of the charges made by the member for Brantford (Mr. Makarchuk) of the fiscal irregularities of the Brant County Board of Education—

Hon. Miss Stephenson: Alleged.

Mr. Nixon: Alleged—which he indicated were brought to his attention by the crown attorney for the county?

Hon. Miss Stephenson: Mr. Speaker, I am aware there was some communication between the member for Brantford and the Brant County Board of Education regarding an alleged fiscal irregularity which the honourable member suggested was being investigated by the RCMP. The RCMP have written a letter to the Brant board stating specifically they are not investigating the board and there has been no investigation of that board to this time. Apparently there was one made by Revenue Canada from September to November, 1978, related to the administration of the Income Tax Act.

We have no factual information at this time upon which to base any investigation. If the member for Brantford has any information then it would seem to me it's his duty to present that information to the Ministry of Education so that an investigation could be instituted if it's necessary. Mr. Speaker, we have no such information at this point.

REPORTS

STANDING ADMINISTRATION OF JUSTICE COMMITTEE

Mr. Philip from the standing administration of justice committee presented the following report and moved its adoption:

Your committee recommends that Bill Pr20, An Act respecting Ontario Bible College and Ontario Theological Seminary, be not reported, it having been withdrawn by the applicant; and further, that the fees less the cost of printing be remitted with respect thereto.

Motion agreed to.

[Later (4:00):]

PROVINCIAL AUDITOR'S REPORT

Mr. Speaker: I beg to inform the House that the report of the Provincial Auditor for the fiscal year 1978-79 is being tabled today and in accordance with standing order 91 stands referred to the standing public accounts committee.

[Reverting (3:23):]

RESPONSE TO PETITION

Hon. Mr. Wells: Before the orders of the day, I would like to table the response to a petition presented to the Legislature, sessional paper n274.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Before the orders of the day, Mr. Speaker, I wish to table the answers to questions 308, 371, 373, 382, 383, 384, 389 and 394; and the interim answers to questions 385, 388 and 390 standing on the Notice Paper. (See appendix page 5599.)

ORDERS OF THE DAY

House in committee of the whole.

MUNICIPAL AMENDMENT ACT
(concluded)

Resumption of the adjourned consideration of Bill 173, An Act to amend the Municipal Act, 1979.

On section 8:

Mr. Chairman: I believe the committee was discussing an amendment to section 8.

Mr. Isaacs: On a point of order, the amendment we were discussing was moved by myself, and with the consent of the committee I wish to withdraw that amendment.

Mr. Chairman: Is there agreement?

Agreed.

Any further comments on section 8?

Mr. Isaacs: Just before we leave section 8, it might be appropriate for me to indicate that after further review of the matters we were discussing last week, it came to our attention that the matter we are attempting to deal with by means of an amendment might be more appropriately left to the municipal level of government to determine according to their normal procedures. Given that we have trust and have confidence in officials at the municipal level of government not to abuse the powers conferred on them by this particular section, we determined that we would withdraw the amendment; but we want to put it on the record that we will be monitoring this particular section very carefully and we will certainly be back with appropriate reference to the minister if municipalities attempt to abuse the powers which this section confers upon them.

Section 8, as amended, agreed to.

Sections 9 to 13, inclusive, agreed to.

Bill 173, as amended, reported.

On motion by Hon. Mr. McMurtry, the committee of the whole House reported one bill with amendments.

COUNCIL OF THE TOWN OF MIDLAND ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 174, An Act respecting the Composition of the Council of the Town of Midland.

Mr. Rotenberg: Mr. Speaker, very briefly, in 1937 this Legislature enacted an act which sets the composition of the council of the town of Midland, that is it could not be changed without changing this act.

As the minister mentioned on first reading, there seems to be no longer a need for this. The town of Midland has requested that this act be repealed and that the composition of their council now be under the Municipal Act, as those of most municipalities in the province are.

This amendment will not affect the present council of the town of Midland, but they are anxious that this take effect for their election of 1980 if they should want to make some changes. To go along with the request of Midland I would ask this bill be approved.

Mr. Epp: Mr. Speaker, I don't think it will come as any surprise to members of this Legislature that we will be supporting this bill. It is an important bill, particularly as far as the municipality of Midland is concerned, because it does reduce the number of elected representatives in that municipality. In fact it was a little surprising to me when I was going over this bill that there was a municipality, and I guess there are still some municipalities in this province, which have a mayor, a reeve and a deputy reeve and one councillor per ward. I understand Midland has four wards and there are four councillors.

The surprise was not the fact that they might have four councillors or that they might have a reeve and a deputy reeve, but the fact that they have a mayor, a reeve and a deputy reeve. Most municipalities in this province either have a mayor, deputy mayor and X number of councillors; or they may have a reeve, deputy reeve and X number of councillors; but the fact that they have a mayor, reeve, and then a deputy reeve almost seems a little top heavy.

[3:30]

They may have found this particularly advantageous in 1937 when they came under the Statute Law Amendment Act, but I guess that it's inclined to be somewhat similar to many other municipalities in this province. My particular experience is with southwestern Ontario where they have mayors and deputy mayors, or reeves and deputy reeves.

It's a good move. The fact they come under the Ontario Municipal Act is noteworthy, because it makes certain most municipalities in the province come under the act. The parliamentary assistant to the minister may want to indicate how many municipalities in this province actually still come under a Statute Law Amendment Act.

Obviously we will support this amendment. I presume that the member for Simcoe East (Mr. G. E. Smith) will have some very important comments about this particular piece of legislation because it is in his constituency. He probably has closer experience with it, and I look forward in particular to his comments on it because of his close asso-

ciation with that municipality and other municipalities in his riding.

Mr. Isaacs: Mr. Speaker, I'm greatly disappointed that neither the parliamentary assistant nor the previous speaker have given us any of the rationale as to why this section of the Statute Law Amendment Act was implemented in the first instance.

The bill was passed some 42 years ago, I believe by a Liberal government in this province, and it has survived with us for 42 years. I think it's important that when we're looking at repealing legislation of this kind we determine why the legislation was put in place in the first instance.

Going back through our records, I find to my dismay that Hansard was not kept in 1937. That's one of the few improvements that were made by the Tory government when it was elected, subsequent to that year we have a record of the debates in this House and it's therefore possible to go back and find out why things were done and what has been going on.

However we do not have that record in this case, but I am sure that somewhere in the archives there must have been some indication as to why this particular section was included in an act that is so comprehensive that it also dealt with what to do when a council neglects or refuses to pay the jailer. It also dealt with matters under the Cheese and Butter Exchanges Act. There were all kinds of references to railroads and to the problems that railroads were facing in 1937.

Buried in the midst of all this was one tiny section to establish the composition of the council of the town of Midland. There must have been an incredibly good reason for that section to be included in that bill, Mr. Speaker. It seems presumably that in Midland in those days there was some kind of crisis, because we did have a Municipal Act in 1937. There was possibly some kind of crisis whereby the provisions of the Municipal Act could not apply and this Legislature had to take it upon itself to structure that council.

I very much hope that in his response the parliamentary assistant will enlighten us as to how that matter was put in place by this Legislature, and further why it has taken so long to come to this Legislature to be dealt with in what seems to me to be a very appropriate manner.

It concerns me though that it was on the request of the council of Midland, going back at least to 1976, that this apparently appropriate amendment has come to the floor of this Legislature. That seems to me to be an incredibly long time to deal with something that would appear to be very routine; I wonder why the delay? Why has it taken so long? There has been a change of ministers since 1976, but that seems hardly sufficient excuse for delaying a matter of this kind through one more municipal election when the town of Midland may have wanted to take the matter of the composition of council to the electors in a preliminary way, rather than having to delay it until it finally reached this Legislature at the end of 1979.

The other point I think this bill raises, which I see as being very important, is the approach to law reform. We have heard from the parliamentary assistant his standard line when presenting municipal bills, the municipality asked for it. It seems to me the time has come when the government should be showing some leadership by reviewing the statute book, going back in history and dealing with many of these archaic provisions on its own initiative. In that way we can put all municipal governments on an equal footing and not run into these kinds of problems. Then municipalities won't find themselves caught by something contained in a statute that is not printed in the revised statutes and therefore is not very obvious to the lay person who would be seeking reference to the statutes through the public library. This is a petty annoyance which can with time become very serious.

I hope the parliamentary assistant can also advise us that his government intends to undertake a review of the legislation from the years around 1937, before and after, to ensure all these archaic provisions are dealt with before a crisis develops and before people become impatient, rather than having to wait for requests from municipalities and then taking three years to bring in an amendment.

We will be supporting this bill, we see it as something that brings Midland into line with all other municipalities; but I would certainly seek assurance on the two matters I have raised.

Mr. G. E. Smith: The member for Waterloo North has pointed out that I am the provincial representative for the town of Midland. As such I take this opportunity to speak in support of the bill.

Several of the questions asked by the member for Wentworth are historical and I would like to respond. It may be because of the lack of recorded copies of Hansard that the parliamentary assistant or the ministry itself are not familiar with the circumstances which prompted the Statute Law Amendment

Act, 1937, to have been introduced and passed.

In 1936-37 the town of Midland, like a number of other Ontario towns and cities during the depression years, became bankrupt and went into receivership. Prior to that the municipal elections were conducted under the guidelines set out by the Municipal Act. In order to reduce the expenses of the elected members, which may not have been very high at that time but were still expenses, the receiver and those responsible for the operation of municipal affairs in the town of Midland decided to request the provincial government to pass the Statute Law Amendment Act, 1937, to reduce the number of elected representatives in that municipality. This is according to the information I have received from the mayor of Midland, His Worship Morland Lynn.

The act was passed as an interim measure. Now, as has been indicated, some 42 years later, the town is requesting that it be allowed to go back to operating its municipal representation under the guidelines set out by the Municipal Act. So much for the historical background.

I think the member for Waterloo raised a couple of other questions to which, perhaps I could respond. He asked if it was necessary to have a reeve and deputy reeve, as well as the mayor and so on. The population of the town of Midland is approximately 12,000. It is still not a city. As such it is part of the county system, in the county of Simcoe.

Under the guidelines of the county towns of this type, for example the former town of Orillia before it became a city and the former town of Barrie, at the time they were part of the county system did have a reeve and deputy reeve who were the representatives at the county council.

I suppose it would take some amendments, or perhaps a private bill from the county, to make the change where a mayor or a deputy mayor might be the representatives rather than the reeve or deputy reeve.

I am aware that the county planning committee has already come to this Legislature with a private bill requesting some changes. It may be that in the future they will make an additional request to change the structuring of the county even further.

I would ask honourable members to support Bill 174. As has been indicated, it was requested by the town of Midland. I understand it would give them the authority to carry on their regular elections in the future under the guidelines of the Ontario Municipal Act rather than the Statute Law Amendment Act of 1937.

Mr. Swart: Mr. Speaker, very briefly: obviously I support this bill, as my colleague the member for Wentworth has done. There are really only two comments I want to make.

The first is that as the member for Simcoe East has stated this is normalizing the council in the town of Midland. Back 30 or 40 years ago there were a great many private bills passed to vary the councils in a great many municipalities to meet a situation that existed at those times. Now many of them are reverting to the standard system; that is desirable and certainly I support that.

On the second reason, the point I want to make is for the benefit of the member for Waterloo North who remarked that not many places have a deputy reeve, a reeve and a mayor. In fact all the towns of this size do when they are situated in a county. The mayor never sits on the county council. A township has a reeve and a deputy reeve, and the reeve acts as the head of that municipality.

In every town there is a mayor, as required under the Municipal Act, and if they have sufficient population there is a reeve and a deputy reeve who perform functions at the county council. It is not unusual to have this sort of thing throughout the province of Ontario; except where you have regional government you have this in force; or where there are private bills or there have been changes made within certain counties. What we're really reverting to here is a standard municipal policy for towns, which we fully support.

Mr. Rotenberg: Mr. Speaker, I would like to thank the members for their support. I would like to point out to the member for Wentworth that the ministry does have an ongoing review of the various acts and statutes under the ministry's control to remove archaic provisions. We did some earlier this year, as members may recall.

Certainly the town of Midland was not suffering. They have known all along what their act involved. They've now made this request and we are allowing this request. If other municipalities feel they are under archaic provisions and ask, and it seems reasonable to us, we will implement it before the ongoing review catches up with them.

Motion agreed to.

Ordered for third reading.

House in committee of the whole.

CITY OF TORONTO ACT

Consideration of Bill Pr5, An Act respecting the City of Toronto.

On section 1:

Mr. Chairman: Mr. Renwick moves that section 1 of the bill be struck out and the following substituted therefor:

"1. For the purposes of a bylaw of the corporation passed under section 386(a) of the Municipal Act, group home as defined in subsection 1 of the said section 386(a) shall be deemed to include a crisis care facility and a residential care facility as defined in a bylaw passed by the council of the corporation under section 35 of the Planning Act.

Mr. Renwick: The bill is a procedural matter. Bill Pr5 of the corporation of the city of Toronto stands in my name. I simply want to read into the record a letter which I received from His Worship Mayor John Sewell a few days ago re Bill Pr5.

"Yesterday, at the meeting of city council, the following motions were passed:

"1. Council indicated support of section 8 of Bill 173, contingent upon the following amendment being made to section 1 of Pr5 receiving consent at this session."

I may say that's the bill which was just in committee of the whole House a few minutes ago.

Then the substance of the amendment which I have just read.

"2. Council indicated its willingness to have the remainder of the section on group homes in Pr5 deleted in favour of section 8 of Bill 173.

"I would be pleased if you would inform the House of city council's action and ensure the appropriate amendment is made to Bill Pr5."

That is why I moved the motion, Mr. Chairman.

Mr. Rotenberg: As indicated when we discussed Bill 173 last week, I would support this amendment, and I would like to publicly go on record as thanking Mayor Sewell and his council for the co-operation in bringing this matter to a satisfactory conclusion.

Mr. Epp: Mr. Chairman, we also would support the amendment. We think it's a reasonable amendment. It's one that the city of Toronto has requested. I think it will be incorporated in the bill since it has the support of the whole House.

Motion agreed to.

Section 1, as amended, agreed to.

Sections 2 to 5, inclusive, agreed to.

On section 6:

Mr. Chairman: Mr. Rotenberg moved that section 6 of the bill be struck out and sections 7 to 11, inclusive, be renumbered as sections 6 to 10, inclusive.

Mr. Renwick: Mr. Chairman, this is not a battleground for the purpose of this amendment. I just want to simply advise the House that this amendment by the parliamentary assistant was a matter of surprise to us. It was brought forward just today. No previous notice was given of the intention of the government to deal with the matter.

As members will recall, Bill Pr5, An Act respecting the City of Toronto, was introduced into the House in May of this year, May 17 I believe. It was considered in the standing administration of justice committee on June 18 of this year, at which time an extensive discussion of the bill and of its various provisions took place. The bill has stood on the Order Paper while lengthy negotiations have gone on between the ministry and the city of Toronto with respect to the question of group homes, which we've just dealt with. At no point during that period of time until today did the parliamentary assistant have the courtesy to raise with me, as the person in whose name the bill stands, so that I could get instructions from the city with respect to it, the question of this proposed amendment at the last minute.

I don't mind too much having to put up with inexperience in a parliamentary assistant, but when it's coupled with a degree of hostility to the city of Toronto for reasons unknown to me, I find it unacceptable. I would expect and anticipate that between now and the next session of the assembly either the parliamentary assistant will change his attitude towards city of Toronto legislation or he would give up his position as parliamentary assistant with respect to that kind of legislation.

In addition to that, for the time that I've been in this assembly the whole procedure of the standing committee on the administration of justice dealing with Bill Pr5 has been totally overturned on this bill. Whatever the reasons may be—whether it's inexperience I don't know—whatever it is I trust there will be no recurrence of the kind of attitude and the kind of obstacles placed in the way of legislation requested by the city council of the city of Toronto, and I trust that the work of this assembly will not longer be impeded in this manner.

I anticipate that this is not the kind of matter that one stands forever and fights about with an obstinate government. It is a very reasonable request. We are going to oppose the motion, but we don't intend to divide the House on the matter.

Mr. Rotenberg: Mr. Chairman, I didn't object when the honourable member stood

up. I had moved the amendment and usually the person who is allowed to move the amendment is allowed to speak to it. But I'm quite content to have had the member for Riverdale speak ahead of me.

First of all, I would like to indicate there is no hostility between me and the council of the city of Toronto. There's quite a difference between having a disagreement on policy and having hostility. When we dealt with the matter of group homes it was indicated, both at the meeting of the standing administration of justice committee and thereafter, that the bill as brought forward by the city of Toronto was totally contrary to the policy of this government.

I thank the member for Riverdale for the compliment where he sort of puts it all on my shoulders, that I'm doing this all by myself; of course I'm not. This is not a matter of my policy but of government policy on both of these situations. I'm simply the person who has been designated by the government to carry this. I thank him for seeming to indicate to the House that I have all this power that I can do this all on my own. But, Mr. Chairman, I have not.

Dealing with the matter before us, which is section 6 of this bill, I think it's only fair to indicate to the House, especially after the remarks of the member for Riverdale, that I have discussed this matter with the mayor of the city of Toronto. The mayor of the city of Toronto has indicated to me he is not in favour of the amendment which I am bringing forward. I think I should draw this to the attention of the House. He has also indicated to me this is not one of the more critical sections of the bill, because he says he and the council are not intending to act on this section in the near future in any case.

The purport of this section of the bill is simple. The hydro commission of the city of Toronto is now made up of three people, the mayor of the city of Toronto, one provincial appointee and one municipal appointee. The section of the bill simply wants to change the municipal appointee from being a citizen to allow the appointee also to be a member of the city council. If this section of the bill carries, there can, in effect, be two members of city council, the majority of the city council, as elected members on the hydro commission.

I would point out to the House the reason I am bringing this forward is we had a report in 1974 entitled, The Restructuring of Public Utilities, from a committee called the Hogg committee. It recommended as follows: "Commissions be composed of five members, with options for the minimum number being three and the maximum seven, including the head of the council, or his delegate, and other members of council"—and this is the key phrase—"provided that in no case shall members of council form a majority of the commission."

The then Minister of Energy (Mr. Timbrell) issued a statement in 1975 supporting the Hogg committee recommendation to be used as a guideline for the restructuring of public utilities throughout the province.

Very simply, this private bill of the city of Toronto does go contrary to that stated policy of the then minister, which I believe was accepted by this House, in that in hydro commissions, where they are commissions and not elected public utility commissions or appointed committees of council, then the commissions should not have a majority of elected representatives. It is for that reason, with no hostility to the city of Toronto, because we do get along reasonably well with the city of Toronto council whoever its members may be, that I bring this amendment and ask that it be approved by the House.

Mr. Isaacs: I appreciate the remarks made by the parliamentary assistant concerning the amendment he has moved, but I really have to ask him whether he can hinge this amendment that denies the right of the city of Toronto to appoint whoever it wishes to its hydro commission, therefore including members of city council, on a report related to hydro restructuring, which is a very different kind of issue to what we have in the city of Toronto where no one is suggesting restructuring.

He is assuming for some reason that there would be some actions taken that might not be in the best interests of the people of the city of Toronto if there were a second member of city council on the hydro commission I really don't understand why that assumption should be allowed to go forward and be allowed to be enshrined in legislation.

He is also assuming that the city council within Toronto does not have some grasp of what is best for the citizens of the city in terms of the accountability of their hydro commission, given that it does not allow the citizens to exercise the right to elect members directly to that hydro commission, but instead has appointments from city council. He is assuming that city council might not use its judgement in that matter in the best possible way.

It confuses me that while we generally have an argument that city councils and municipal councils in general best understand

the circumstances in their municipalities and know how best to deal with the problems their municipalities face, in this one example, for reasons which do not appear to me relevant to the situation in Toronto because they are taken from a report that deals with restructuring, the city of Toronto is being told no, it can't have this because it runs contrary to government policy.

I want to suggest further that while my colleague, the member for Riverdale, was suggesting the responsibility for this amendment rests with the parliamentary assistant, I would suggest to the parliamentary assistant that if it doesn't rest on his shoulders, then it rests on his minister's shoulders, because I cannot accept that this amendment has been discussed by cabinet. I can't believe it is a matter of government policy at that level.

In presenting the amendment here to us today the parliamentary assistant is saying to us that somewhere in the Ministry of Intergovernmental Affairs there is someone who has decided that this is a right that should not be given to a local council. The argument that is being presented is one that has general application right across this province.

[4:00]

I want to suggest to the parliamentary assistant that in the cases of restructuring bills we have dealt with earlier this session for Niagara, for York, for Halton and for Durham, we allowed the municipal council to have more than one of its representatives on the hydro commission. Every one of those bills set up hydro commissions that are larger than three. I do not dispute that. But there are many, many circumstances when mayors of municipalities are sufficiently overloaded with work that they are not able to attend all the meetings of a board or commission of which they happen to be a member. They therefore find it very useful and the council finds it very useful in the interests of accountability to have another member of council present at that board or commission and acting as a member of that board or commission in order to present the report back to council.

I do not understand the basis for the government policy in this respect. If the parliamentary assistant is insisting that the government policy must be upheld, for whatever reason, then I want to suggest to him that the problem can be dealt with by a proposal to enlarge the hydro commission. Now that may not meet with his approval because it increases in some very minor way the expenses associated with the hydro commission.

I want to suggest to him that the interests of the public within Toronto may not be best served if the city's representative on the hydro commission is being prevented from attending meetings by pressure of work. The proposal that there be another member of city council there and voting as a member of the commission in order to express the city's concerns and to take back a report on commission business to city council makes a great deal of sense. That is what the city was seeking. If we can't go about it this way then rather than deleting it entirely let's find a more appropriate way of dealing with the problem that the city has in the area of accountability.

Mr. Rotenberg: I would like to clarify what the member said. First, this was done in consultation with the minister.

But the last point which the member makes is I think important. It isn't the problem of the mayor not having the time. If the mayor wishes to delegate another member of council instead of the mayor as is done on some other commissions, that could be done. If they expanded to more than three members that could also be done. The point of the situation is that where there is a commission as distinguished from a committee of council, the commission should not have a majority of members who are elected persons or it really ceases to function as a commission.

As an example, as of December 31, 1979, the transit commission of Hamilton-Wentworth will cease to become a commission and will become a committee of council. Where they are all council members, that's what it should be. The borough of York has a committee of council which runs hydro affairs.

If they want council running it, then they should say it is council and have all council members running it. If they are going to have a commission which is a step independent of council, which is the purpose of a commission, then there should not be a majority of council members in effect running the commission and who are not totally accountable to the total council as a committee of council is accountable.

I would say to the honourable member that if the mayor of Toronto is too busy to attend the meetings and wishes to delegate someone, that can be arranged. If they want to expand the commission, that can be discussed. If they want to go to a committee of council, that can be discussed. But we feel there should not be a majority of elected members on a three-man commission.

There are other alternatives, I agree with the member for Wentworth. As I indicated, Mayor Sewell would like this passed and says it's not critical at this time that they have other alternatives. Mayor Sewell will be more than pleased to discuss it with the honourable member.

Mr. R. F. Johnston: I can see that we aren't about to change our mind at this stage. I would like to agree with my colleagues that this seems to me an eminently sensible thing to develop.

The city of Toronto has been leading in a number of ways in involving council in making committees and commissions more responsible and more forward looking. The hydro commission itself has been curtailed in a number of ways by Ontario Hydro in trying to develop some very progressive steps in terms of conservation and other areas. I know the council thought it was quite important to try to bring in this particular change in being able to have council members as members of the commission.

I would like to state, as the parliamentary assistant knows, the Robarts commission report on Metropolitan Toronto—and he is very careful in talking about commissions and that sort of thing—says in most cases the membership of such a commission should be up to Metropolitan Toronto. I think the same argument bears fruit here in terms of local autonomy.

If the city of Toronto chooses to have the power to have as permanent members of that commission members of its council, it seems to me that the provincial government should be willing to allow them to do so, notwithstanding any definition of the term commission that the parliamentary assistant wishes to make. As you know, the mayor at this point is not willing to see this bill rise or fall on this particular matter and is therefore stepping back from it.

Mr. Rotenberg: He is not stepping back. He still wants to close. He is not stepping back.

Mr. R. F. Johnston: Well, he has not asked us to bruise our knuckles hitting the wall trying to get you to change your mind on it. I would say that I just see it as a retrograde step. It seems to me to be a very logical suggestion and a good approach to accountability and I would have hoped you would have changed your mind.

Mr. Chairman: Any further comments? The question before the committee is Mr. Rotenberg's amendment to section 6.

All those in favour of the motion will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Section 6, as amended, agreed to.

Motion agreed to.

Mr. Chairman: Any further comments on any section of the bill?

Sections 7 to 10, inclusive, agreed to.

Bill Pr5, as amended, reported.

On motion by Mr. Brunelle, the committee of the whole House reported one bill, with amendments.

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 154, An Act to amend the Regional Municipality of Hamilton-Wentworth, 1973.

Mr. Rotenberg: Mr. Speaker, this amendment will provide the regional municipality of Hamilton-Wentworth with authority to determine store hours in the regional area. The bill gives the region the exclusive power to enact bylaws related to store closings under section 355 of the Municipal Act, except for bylaws regarding hours of service stations.

I realize this matter has been somewhat controversial in the region and that some members of the regional council are for this—the majority are for it, but several municipalities are against it. Some, particularly Stoney Creek, are not in favour of this amendment. I am also very much aware that there have been several petitions filed with the government contrary to the purpose and the principle of this bill. However, Mr. Speaker, we believe that this should be a local matter, a municipal matter, and that the majority of Hamilton-Wentworth, which really is one social and one retail area, has asked for this legislation. The majority of the regional council has asked for it. We believe this should be implemented and therefore we are recommending this bill.

Mr. Epp: Mr. Speaker, I can say from the outset that we will be supporting this bill although we have a number of concerns with respect to it. One of the concerns we have is that of a transference of some local autonomy to that of the regional level or regional council. I don't think anyone could argue that the regional municipality of Hamilton-Wentworth does not, through this bill, gain some additional autonomy which it didn't have until this bill was introduced and until—if it does become law—it becomes law. There is no doubt it could be interpreted as a

little whittling away of local autonomy. However, I suppose we have to recognize the fact that 18 people out of a toal of 24 local representatives on the regional council voted in favour of the bylaw, the resolution of the regional municipality, as opposed to six people who voted against it.

I am unhappy that although the government had an opportunity to bring this bill forward weeks ago, it has constantly delayed it. Had it been brought forth earlier we may very well have taken the opportunity to refer it to a committee to be able to hear some delegations. They have waited until what is certainly the last week and may be the last three or four days of this session to bring it forth and I think the government can easily be faulted in that.

If we were to hold it up now the government would say we're obstructionists, yet they have delayed and delayed in bringing it forth, recognizing of course that there could be more discussion on it if it had been brought forward earlier. Although they pretend they are in favour of a lot of discussion on it, they often take steps which certainly reduce those opportunities for discussion.

It has been argued by people that this legislation will save money for a number of stores, that they won't have to hire as many people. This may help that situation. It may help as far as the profits are concerned in the regional municipality. But, it may adversely affect a number of people who have been counting on jobs and, as a result of this bill, won't receive those jobs. That is very hard to determine and I wouldn't want to make an unqualified judgement on that matter.

In a sense, it does limit a certain amount of freedom that stores have. I know in my own municipality, the regional municipality of Waterloo, back in the 1950s there were store hours in the city of Kitchener that were very limited. I remember a gentleman who organized a very small store at that time, a highway market, which has grown to one of the largest stores in Ontario. He decided to move from the city limits to outside the limits and to open his store at hours which were not incorporated within the city of Kitchener. For instance, he was open to hours that may seem very normal now, to 10 o'clock, but that seemed very radical at that time. As a result, he was able to attract a lot of people and build up a very thriving business which is going very well today and employs hundreds of people.

This is the kind of thing that competition sometimes achieves and I don't think you could argue that this bill does not limit competition in some respects. However, we have to agree that there has been a fairly decisive vote by regional council in favour of this and although we may not always agree with every decision that council may make from time to time—either the regional municipality of Hamilton-Wentworth or any other council—we find ourselves in agreement with this piece of legislation.

Mr. Isaacs: I have to say that I regard this particular bill as probably the most disgraceful piece of legislation that has come before this House in the eight months I have been here. It is the kind of thing that would make the former Minister of Treasury, Economics and Intergovernmental Affairs, Darcy McKeough, turn in his chairman's chair if he knew what we were doing here with regional government in Hamilton-Wentworth.

[4:15]

If there was one person who had an understanding of the goal of regional government it was the former minister. We may not have agreed with him in many aspects of that goal, but he certainly had a feel for the direction in which he was going and he understood what he believed regional government could do for the people of this province. We now have a situation where those original intentions are being eroded, where regional government is being destroyed and, indeed, with this bill, is being encouraged to destroy itself in Hamilton-Wentworth.

We don't even have the minister here to hear the debate. That's the kind of interest the present minister has in the affairs of municipalities. It's the reason why municipalities are so upset with what this government is doing with regard to their situation and their role in the life of the people of this province.

If we carry on with this kind of thing we end up in a revolt of taxpayers in all the regions of this province. This bill deals with an item which is the tip of an iceberg that is so large it has the power to destroy local government in Hamilton-Wentworth, to tear apart the entire structure of that region. Instead of attempting to deal with the problem we are being asked to support a bill that, in fact, encourages the warring parties to continue their battles and to ensure that regional government will never be anything other than a battleground until this Legislature comes to grips with the problem in a serious and important way.

This is the kind of thing that competition Waterloo North, referred to this bill being requested by a majority of regional council in Hamilton-Wentworth. I want to suggest

that when regional government was set up, it was set up in such a way that it could do for the people of the region, on a regional basis, those things which are best done regionally and leave to the lower tier those things which are best done locally. There was a division of every responsibility of municipal government into regional, i.e. upper tier, or local, i.e. lower tier.

Looked at that way, this was requested by three out of six municipalities in Hamilton-Wentworth. It concerns me very greatly that when you have three municipalities pitted against the other three, then this government comes down simply on the side of one group because of its size and not because of its importance within the region.

I want to suggest that was not what was intended by the previous minister when regional government was set up. It was not an approach that will help regional government to work. It is an approach that will destroy the structure that is in place, not put in place something better and will lead to acrimony that will continue for years and years to come until the government comes to grips with the very serious problem facing regional government in Hamilton-Wentworth.

There was no doubt that when regional government was set up in Hamilton-Wentworth there was an intention that certain lower-tier municipalities, particularly the five suburban municipalities, would be able to handle certain things on their own better than they can be handled by the region. Regional government was put in place, not to override their rights, not to give one municipality the power of veto, but to help them carry out their functions.

If this is the approach being taken by the present government and by the present minister—and many in the Association of Municipalities of Ontario believe it may well herald the start of a new approach—then there will be concern in every one of the 10 regions across this province. It is saying that the desires and wishes of the lower-tier municipalities can be overridden by a vote of regional council and that this government will allow that to be done simply on the basis of population and not on the basis of other considerations.

Turning to the matter of store hours, the problem that led to this bill arose because one municipality in the region decided, for whatever reason, that it wished to amend its local store-hours bylaw to permit stores to be open longer. Others within the Hamilton-Wentworth area felt that would cause unfair and unreasonable competition, forcing them into opening their stores against the wishes of those councils.

I understand and appreciate what regional council was attempting to do when it requested this bill, but I want to ask the parliamentary assistant what will happen when the city of Burlington or the town of Grimsby decides to open its stores for extended hours, as they may very well do within the next year or two—particularly Burlington. If the town of Burlington at some time in the future decides its stores are going to be open until 10 o'clock, six nights a week, then Hamilton-Wentworth will be powerless to come forward requesting this kind of legislation.

Instead, we will have a battle among the municipalities which will cause great unrest and concern and will probably end up forcing Hamilton into a situation even more undesirable than the present situation. The government will then be asked to legislate store hours in Burlington or Grimsby, as the case may be. So it goes on and we will have this problem spreading. We are not part of a tiny urban centre; everywhere in the golden horseshoe we are part of a great conurbation that spreads from Oshawa to Fort Erie within which the things going on in one municipality cannot help but have an impact on neighbouring municipalities.

I want to suggest to the parliamentary assistant that the method of handling the matter as proposed in this bill is completely and utterly inappropriate. The way to deal with it is to come forward with legislation that puts in place appropriate restricted store hours province-wide. It makes no sense at all to allow restrictions in one area and none in a neighbouring area, thus causing feuds to arise. The issues relating to store hours are the same right across the province, with the possible exception of the northern municipalities and with the possible exception of those municipalities that are very close to the border, such as Windsor, Sarnia and Fort Erie.

Forgetting those for a moment, because they may be in peculiar circumstances, the arguments are the same everywhere else in the province. They relate to competition, to the costs of doing business and to the abuse of the rights of employees who are going to be working in the stores. The approach being taken in this bill is so short-sighted and is going to cause such great problems that I am incredulous that the minister, last September, even saw fit to announce his intention to bring in the bill. It surprises me, given the approach the government normally takes on matters such as this. It surprises me that we have this bill before us at all. In

some senses I am grateful that the bill is before us because at least it gives us an opportunity to discuss what this government should be doing and that is legislating province-wide store hours.

The solution is not to be found in the bill that is before us. It is not to play around with regional government and to cause municipalities great heartache and to prolong the battles that are presently going on. The solution is a very clear one. It is to deal with store hours as a provincial issue—which it is—and to deal with the problems that regional government is facing right across this province, especially in Hamilton-Wentworth.

We cannot continue with the kind of battles that have led to this bill. We cannot continue with the fact that there is no reasonable communication between neighbouring municipalities within the same region. The members of council never talk to each other. The amount of communication between the heads of council is very limited indeed and carried out primarily through formal letters rather than the informal get-together that should mark harmonious relations within a region.

It is difficult to know how to deal with the kind of bill that is before us. It's going to create even greater problems than it solves. It's going to cause people within one part of the region to become even more dissatisfied with regional government than they are now, if that's possible. It is going to be difficult because the people of the suburban municipalities are pretty upset with regional government right now.

But given the problem and given the solution we believe should be followed, we have to think that as it is going to restrict store hours in Hamilton-Wentworth—and we have that assurance from the regional chairman and from the majority of members of regional council—given that that restriction will be the result of the passage of this bill, we think that on balance it is better to support it than to oppose it.

I want to associate myself with the remarks of the member for Waterloo North when he said it would have been appropriate to send this matter to committee and to have input from the local people who are aware of the circumstances behind this bill. It is very clear that when the minister announced back in September that he would be bringing in this bill he had absolutely no idea at all as to how it arose and how important it is to the people of Hamilton-Wentworth, both in terms of the store hours issue and in terms of the autonomy issue.

Even the bylaw that is coming forward as a result of this bill has great inadequacies. Many of the arguments for restrictions on store hours are based on costs, they are based on the problems the employees face and they are based on the fact that need simply does not exist in our society today. But the regional bylaw exempts such a wide range of stores that it is a minority of stores within Hamilton-Wentworth that will be affected by the proposed regional bylaw.

All food stores are exempted and all drug stores are exempted. Shoe repair shops, tobacco shops, newsdealers, confectionery shops—the list goes on and on. None of those stores is included in the bylaw that the region intends to pass if this bill is passed here today.

I want to suggest that is particularly unfortunate because the effect of the cost of store operations on items like food is particularly hurtful to the lower-income people within our society who spend the majority of their income on food. It's the food stores that are abusing their employees to a greater extent—if that's possible—than almost any other category of store. The food stores and drug stores are expanding their function to the extent you will soon be able to go into a store labelled "food store" but which carries almost as great a range of goods as a traditional department store such as Eaton's or Simpsons. If the parliamentary assistant will look at some of the stores opening now in Hamilton-Wentworth he will find a range of items for sale not in the least related to food but which covers the whole spectrum of goods on the retail market.

[4:30]

The bylaw that arises from this bill is terribly deficient. The bill itself is terribly deficient in its approach to the problem—it's disgraceful in its approach to the problem. We end up with a circumstance that can only be temporary because a future challenge to this whole matter of store closing in the Hamilton-Wentworth area is inevitable.

The parliamentary assistant might feel it appropriate to get out and talk to some people aware of this situation and who traditionally have supported the things he and his colleagues have tried to do because the bill we proposed to bring in store hours on a uniform province-wide basis has been discussed widely in Hamilton-Wentworth and is seen by many people on that regional council as being a great improvement over the bill we have before us today. But we can't amend this bill to give it province-wide applicability. I wish we could, because that

debate would be an appropriate one. But we cannot do that and we are stuck with the mess created, the hostility that will remain as a result of the disposition of the bill today. Either way, pass or defeat, that hostility and mess will be there. It's a close balance but the balance comes down on saying we will support the bill but we urge the government to bring in province-wide legislation, or similar bills for every other municipality so there is an aura of uniformity across the province instead of a situation that can only get worse and worse.

Mr. Mackenzie: I rise to support Bill 154. I do so with a number of reservations.

My colleague has spoken good sense and I wish sometimes the sense he's articulated would carry some weight with government members.

We have an extension, in a minor way, of the old open and extended store hours debate. I fear we may win a small battle in a case like this and risk losing the proverbial war.

What has happened is not an old story. It's an all-too-often-told story today. We have the actions of one regional council deciding to grant the authority to a developer and a new shopping mall to stay open the extended hours. As is usually the case, that initially is a reasonably successful operation. In this case it was the Fiesta Mall in Stoney Creek. There is the large Eastgate Mall, where there is a fairly heavy investment and where probably most of the small shopkeepers would rather have the restricted hours but where the developers themselves would love to see the thing open for the extra rents they could charge if it was on the extended hours. They start complaining and putting pressure on council and saying: "Hey, we're not getting a fair shake here. If you're going to allow this one new smaller shopping mall to remain open then in all fairness you've got to give us the same opportunity."

Of course, the minute that starts being talked around the area you get the people who own the other malls in the region raising the same arguments; you also get those who are thinking of putting in malls questioning whether or not they should have the right to stay open or to shut.

You usually get a delayed but very strong reaction from many of the smaller merchants on many of the secondary streets, or even in the downtown core of the city, who know very well they're having the fight of their lives to compete with the shopping centres as it is. I remind the honourable members of this House that it can be expensive if we destroy the cores and some of the secondary shopping streets in our cities. Certainly the whole question is raised.

In this particular case—more in desperation than anything else—we had the regional municipality, where there was a strong majority who wanted to maintain the restricted store hours, saying, "Either we're going to be able to deal with the smaller municipalities within the region, or we might as well be out of business." That is part of the threat to the whole system of regional government.

What happens is that you get the Hamilton-Wentworth region asking for a bill to give them authority over the entire region and to restrict the shopping hours. They will probably do it. There's no question in my mind that's the route they'll take. I'm really wondering, when the next major mall is opened up in the area, what kind of pressure we will have on all of the regional councillors to allow them to open up region-wide. I can see that battle coming down the road as well.

It seems to me we've been fighting this battle in Ontario for a good number of years. I think some measure of common sense has ruled the day to date. I'm not sure how long that will continue.

I do know that I'm a little surprised at the copout of this government in not bringing in province-wide legislation. As in many things today—human rights come to mind—they seem to be afraid to face some of the tough issues. We are either going to say that we've got some uniformity in shopping hours that covers everybody across the province or we're not. If we're going to go the other route—and I personally hope we don't—we had better take a look at whether or not all our talk, or all the talk that seems to come from this Tory government about being interested in small businesses, means anything.

Many of the small businessmen in our communities are not going to be able to survive if they're up against the unrestricted hours of the major developers. There's no question in my mind about that. We've had difficulties already with them staying in business.

In addition to that, the employees are always the losers in the extended hours debate. As it is, even without the extended hours we have a move in many of the large developments to employ more and more part-time employees. In many of the major shopping centres they try to keep them to 20 hours or less a week. They cannot only get away with a minimum wage but with absolutely no employee benefits to them as well. That certainly doesn't make for steady 40-hours-a-

week employment for people so they can maintain their homes and put food on the table and take care of their families.

We risk the worker's right to a decent job and the worker's right to decent benefits. We risk an escalation in the use of part-time employees rather than full-time employees. We certainly risk the livelihood of hundreds and probably thousands of small businessmen in our communities if we don't seriously take a look at restricting the hours.

Much as I dislike them, I'd much rather go the route of looking at exceptions where you can make an excellent case for them than I would just doing away with the restrictions we've had on store hours to date.

The government certainly should have moved on a province-wide basis. I see this particular bill as one that I can support: a necessary, small, interim battle in the fight that's been going on for a good many years in our particular community, but one which leaves the pressure on, doesn't deal with the other communities and really is a copout on the part of this government in terms of not bringing in the one answer to it, which is province-wide legislation. If they're not willing to do that, then they should take the flak—open the whole thing up and let people know where they stand, rather than try to ride both sides of the fence as in this particular issue.

For the time being, there's no question on this particular bill. I have to support it, but with the reservations I've raised.

Mr. M. N. Davison: I'm glad the parliamentary assistant came back in so he could hear my comments. Perhaps I could explain to him calmly and coolly what sort of an error he and his government have made by taking the position they have put before the assembly on the question of early store-closing hours.

The minister may not be aware of it but a long time ago when I was a kid they didn't have early store-closing legislation in the Hamilton-Wentworth area. The reason they didn't have it, Mr. Speaker, was they didn't need it. Most of the businesses closed at a reasonable hour. The small businessmen were able to operate under reasonable conditions and the employees didn't face the kind of exploitation that comes from these long hours day after day.

What happened, unfortunately, was that some chains moved into the outskirts of my city and decided they were going to stay open six days a week, 10 hours a day. There were no laws against it, so that kind of thing started. Consequently, it put incredible pressure on the small businesses in the Hamilton economic region. Also it put a number of employees in a very difficult spot because when those small businesses had to close down in the core and in the community shopping areas, that meant not only did the small businessman lose his livelihood, but so did those who were working for him.

On the other hand, what kind of hours were workers working? These large, sometimes foreign chains didn't give one whit about the welfare of their employees. They put them on split shifts. They put them in positions where they had to try and support their families on maybe a 30-hour work week at pay for much less than they could get in other areas. They put them in positions where they didn't have proper protection.

The municipalities in the Hamilton area got together and said this was a problem. The reason they got together was that two diverse groups approached them to outline the difficulty. One was the Hamilton and District Labour Council on behalf of workers in the area which went in to explain the unfairness of the exploitation of workers that was currently taking place in these chains and the difficulty caused by the loss of jobs for workers in the core and community shopping areas. Also the local municipalities were approached by small businessmen who explained the difficulties they were facing in trying to compete with these stores in the outskirts which were able to keep open during these long hours and how they were having to close down and consequently that was affecting consumers in the area. The municipalities in the area then created a gentlemen's agreement by which they brought in local early store-closing hours legislation.

I want to come back to something the parliamentary assistant said because it shows either his foolishness or silliness when he makes statements in the House, or it shows a kind of masquerade attitude on behalf of the government and the ministry. He said that in effect Hamilton-Wentworth is one economic area. If the parliamentary assistant would listen to this explanation it would be appreciated.

He claimed the Hamilton-Wentworth region was an economic area in which it made sense to have legislation that would affect store-closing hours for all of the component municipalities. This goes back to the old phoney analysis this government has put before the assembly on every single question like this since they brought in regional government in the Hamilton-Wentworth area.

They went against all advice at the time and created a Hamilton-Wentworth regional

municipality that excluded Burlington, which was clearly a part of the economic community at the lakehead. They went against all that advice. They brought in this fractured form of regional government. Now you get a parliamentary assistant who stands up in the assembly and tries to say Hamilton-Wentworth is somehow an economic region separate from everything that surrounds it and therefore should have its own legislation. [4:45]

I would like the parliamentary assistant to drive down there or take a bus. I will send him a bus ticket to Hamilton so he can come down and see what that area is like. The minister will understand that in Hamilton-Wentworth we don't live in an economic area that is separate from our neighbours in other regional communities. The parliamentary assistant would find that Burlington at least is a part of that economic region.

To go back to the gentlemen's agreement, Burlington was involved in that agreement. They brought in early store-closing hours. I think the question put by the member for Wentworth is a very important one. What is the government going to do if we pass this legislation and if Hamilton-Wentworth brings in this municipal bylaw? What is the government going to do when and if Burlington changes its policy so it can bring in some new mall, and if it doesn't have early store-closing hours any more? I don't know how the government or the parliamentary assistant intends to deal with that. That is the basic foolishness and silliness of the bill before us.

I could characterize the Tories as being on both sides of the issue, but that would be overly kind. I have no intention of being overly kind. They remind me of people who are straddling the fence with both feet firmly in the air and both ears to the ground. It's an awkward position. I expect it is difficult to get good legislation from people who are in such contorted and uncomfortable positions. Maybe that is one of the explanations for the kind of approach they have taken on this issue. On an issue of the fundamental rights of workers and the protection of small businessmen, they can't say, "on the one hand, on the other hand, on the third hand." There has to be some definition to their position.

The one point that really bothers me is that the parliamentary assistant, on behalf of the absent minister who doesn't really seem to be too concerned about this issue, judging from the delays he went through in bringing it before the House, says the reason why the government is doing this is the regional municipality asked it to do it. That is incredible. I can count on the fingers of one hand the times this government has done anything because the regional municipality of Hamilton-Wentworth advised it to do it.

It seems if a good idea is coming forward from the regional municipality of Hamilton-Wentworth, the government is automatically opposed to it. Yet the minister or the parliamentary assistant chooses to put this forward as his one rationale for going ahead with it. I would suggest that when he gets good proposals from that municipality he should adopt them more often and use as his rationale that the municipality asked him to. Instead, we get the incredibly silly solution of dumping it back into the hands of the regional government.

If early store-closing hours are a good idea, which I believe they are for the reasons I have outlined, in that they protect workers' rights and also they protect what is still a viable small business community, then it's a good idea not only for Hamilton-Wentworth but for the entire province. If we are going to protect community shopping areas like Barton Street or Ottawa Street in my riding, then we should protect community shopping areas in the parliamentary assistant's riding and in every other riding across Ontario. If we are going to protect the rights of workers working in shopping malls in Stoney Creek then we should protect the rights of workers working in shopping malls across the province.

I think the solution put forward by my colleague from Wentworth is a perfectly workable solution. It is a good idea. It would be advantageous if the government would consider withdrawing this bill and, before we break for Christmas, introducing province-wide legislation so that we can protect small business and protect workers across the entire province, rather than ignoring that difficulty. I would advise the parliamentary assistant that he consider doing that. If not, if he intends to go ahead with this, when might we expect the government to realize that province-wide legislation is needed and when might we expect the government to go ahead and bring in province-wide legislation, next spring? I look forward to the parliamentary assistant's comments on that particular question.

Mr. Swart: Mr. Speaker, I rise just to make two or three comments on this bill before us. The first one I want to make is that for the reason given by my colleagues we consider this a rather important bill. This is a matter which has been debated in municipal circles and elsewhere across this province for many, many years, for decades, as the parliamentary

assistant well knows. Now we have a bill, a wholly inadequate bill, that deals with the problem in Ontario but at least gives us an opportunity to state the position of this party. I am surprised, quite frankly, that the other member from the Hamilton area, the member for Hamilton West (Mr. S. Smith) is not here also, and doesn't think this bill is important enough to take part in this debate. It would seem to me that on a matter of such great concern to his area he should be in the House and taking part in this debate.

I think most objective people would agree my three colleagues from the Hamilton area have put forward reasonable arguments for a province-wide policy. They have put forward a similar argument and I must point out, Mr. Speaker, as you well know, that these three members represent contrasting constituencies. One is from a rural area where they want to keep the stores open—a partly rural area or a suburb, if you will, of Hamilton. The others are from the areas where they have bylaws which provide that the stores must close earlier, yet they can get up and put forward the same argument here.

I think this demonstrates, Mr. Speaker, how easy it would be, if we had an NDP government, to come to a reasonable solution for this sort of thing. Our colleagues here aren't simply passing the buck, as the government is doing. The government is saying, in effect: "We don't want to make a decision on this. We will pass it over to the regional council in Hamilton and let it pass the bylaws and pass the buck." The people on this side of the House are prepared to make a decision provincially on this. We are willing to stand up and be counted and we say there should be uniform closing hours across this province. We are willing to have the parliamentary assistant bring in that bill, take our stand on it and vote in favour of a bill that does just that.

It's apparent it is nonsense to have a system whereby each local municipality can set the store-closing hours. I am not going to go into the argument put forward by my colleagues in any depth again, but such a system distorts the whole shopping system. You can have shopping centres or other shopping areas, the downtown areas, set up all to close at six o'clock then the council in one area comes in and suddenly decides it is going to open them up. Then the others have to open them up in competition and pretty soon you have far too much floor space. You have, in fact, far greater costs involved with regard to retailing—and in the end it is the consumers who are going to have to pay those additional costs.

It also distorts the whole process of deciding where shopping centres are going to be established, because it was well known, and the parliamentary assistant knows this, that for decades in this province shopping centres were established just outside of the urban areas in rural areas that were anxious to get assessment in those days when it meant so much to them—it doesn't mean quite so much now. These centres were established on the promise that they could stay open and there would be no laws within that municipality to make that shopping centre close at six o'clock. So it has distorted even the growth pattern in major areas.

As my colleagues have pointed out, we are supporting this bill because it's a bit better than the system which exists in that region and in most other areas of this province, but in no way is it the kind of bill we really should be debating and discussing here, one that has uniform application.

I just want to point out, once the government had the nerve to actually take some action on a couple of other items, how well that worked. I remember when it was left to the local municipality to determine whether it would have fireworks sold within its boundaries. There would be one little town, or perhaps big city, that would prohibit the sale of fireworks, or perhaps prohibit them to anybody under 16 years of age, and the next municipality would be wide open to sell the fireworks.

The municipalities and their associations fought for years and years to have the government give some leadership on this matter and the government finally gave it. You hardly hear a whisper about it now, Mr. Speaker. It is working. Of course, the legislation which was passed in this House three or four years ago with regard to Sunday closing is working and working well.

Surely the government can apply the same sort of policy to store hours during the week. It is just that once again it hasn't the courage to do so. There is perhaps no unanimous request from municipalities because, as the parliamentary assistant knows from his experience in municipal government, when you talk to municipal associations on this kind of an issue, where you have rural municipalities and the urban municipalities—some of them have early closing bylaws and some don't—it is impossible to really come to a determination. They are saying, in effect, to the provincial government, "You should take the responsibility to do that."

That is what the New Democratic Party is saying. We think this is an apt expression of the general attitude of the government,

but in no ways meets the needs of this province.

Mr. Rotenberg: I wish to thank the members opposite for the support of the bill, despite the fact that the New Democratic Party did some strange contortions in order to support it. And speaking of trying to be on both sides of an issue at the same time, they are masters at it.

We are not legislating store hours; we are not legislating store hours in Hamilton-Wentworth. We are giving—

Mr. Martel: What happens to local autonomy?

Mr. Rotenberg: He's on my side. I am glad to hear it. We are giving the region of Hamilton-Wentworth the right to legislate store hours.

There was some discussion that maybe this matter should have gone to a committee of the House for discussion. Members will recall this bill was originally part of the Regional Municipalities Amendment Act, the omnibus regional act, which we introduced much earlier in the session and it was at the request of the New Democratic Party, which indicated maybe they wanted to send it to committee, that we took it out of the regional act and put it into a separate act. We did it simply because, although we didn't want to, if another party wished to send it to committee, we would be able to do so without interrupting the omnibus bill for all the regional municipality amendments.

We believe in local option, as the member for Sudbury East has indicated—he is sitting maybe where he belongs, in the other caucus —he believes in local autonomy and so do we and we believe this is a local matter. There are different problems in different municipalities and different municipalities require different solutions to these problems.

So, in answer to the question which has really come from the three members opposite, the provincial government at this time is not prepared to bring in province-wide store hours and that is why we are bringing in this legislation.

If there is some dissatisfaction with the form of the bylaw which the Hamilton-Wentworth council is bringing forward, and I gather from the members opposite and from the people in the region there is some dissatisfaction, then really the people in that community should be going to the regional council, hear deputations, have meetings and ask the Hamilton-Wentworth regional council either not to adopt their bill, or to amend their bill, or to deal with the bill. We are giving permissive legislation, transferring it from the municipalities in the regions to the regional council. This is, in effect, province-wide legislation because it is permissive legislation to enable the various municipalites throughout the province to bring in store-closing bylaws, if they so desire.

As I have indicated, for the present we feel that is the proper way to do it and therefore I ask for the support of this bill.

[5:00]

Motion agreed to.

Ordered for committee of the whole House.

House in committee of the whole.

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AMENDMENT ACT

Consideration of Bill 154, An Act to amend the Regional Municipality of Hamilton-Wentworth Act, 1973.

Mr. M. N. Davison: I have a comment to make on whichever section you choose, Mr. Chairman. Section 1 would be fine.

On section 1:

Mr. M. N. Davison: In regard to the parliamentary assistant's response to the suggestion put forward by the member for Wentworth (Mr. Isaacs), would the parliamentary assistant care to explain to us why the government is not prepared to move with province-wide legislation at this time?

Mr. Rotenberg: Mr. Chairman, with respect, I think the member opposite has asked to go into committee of the whole House simply to get another chance to speak on second reading, which is really not the situation. I have indicated that the provincial government at this time feels this is a matter of local autonomy and local option and we are leaving it that way.

Mr. M. N. Davison: On section 1, I have a question on the definition of the word "local." By the word "local," does the parliamentary assistant mean local government or does he mean regional government? I'm not exactly sure of his definition of the word "local" because he seems to be using it whenever he talks about this section or the other sections of the bill.

Mr. Rotenberg: I think it's quite obvious that for the purposes of this bill "local" means the regional government.

Mr. M. N. Davison: Would the parliamentary assistant be so kind as to tell us at what point the government might be prepared to go ahead with provincial-wide legislation?

Mr. Rotenberg: With respect, there are no plans at the present time to bring that

forward. I don't know when in the future there may be discussion; at the present time there are no plans.

Mr. M. N. Davison: One final question: Would the parliamentary assistant, on behalf of the minister and the government, undertake to start discussion and to study the possibility of bringing in province-wide legislation so the position put forward by my colleague from Wentworth can be fully aired and explored?

Mr. Rotenberg: I don't want to mislead the member or his party by indicating that this will happen at a specific time in the future. Certainly, all matters which are raised in this Legislature are under review by this ministry. Whether that will be an earlier or later review or priority, I cannot say at this time.

Section 1 agreed to.

Sections 2 and 3 agreed to.

Bill 154 reported.

On motion by Hon. Miss Stephenson, the committee reported one bill without amendments.

CONCURRENCE IN SUPPLY

Hon. Miss Stephenson: I believe there has been a modification of the order and that concurrence in supply for the Ministry of Education and Ministry of Colleges and Universities is to occur at this time.

It was also my understanding that we were doing them as a package.

Mr. Speaker: They are separate questions. They can't be considered as one entity.

MINISTRY OF EDUCATION

Mr. Sweeney: As the minister well knows, we have recently concluded 22 hours of estimates debate on this area; therefore, a lot of topics were gone into at some length and depth. I don't intend to go over all those again, but there are a couple of topics which I think need a little more attention than they got in the estimates and there is one in particular which came up today.

I have just sent over to the minister a copy of a press release and a couple of affidavits that were presented to the media today on behalf of a group of parents known as Parents Interested in Education, PIE. I understand the minister has met members of this group before and is familiar with some of their concerns.

I want to use this opportunity to draw to the minister's attention the fact that I share the concerns of some of the parents' groups around this province. As a matter of fact, if we are looking at the funding of education—and in this particular debate the concurrence of that funding—I think it is quite appropriate for us to look at some of the concerns being expressed by various parents' groups. I suggest to the minister as evidence we have some credibility gaps and financial backlash with respect to education in Ontario is that there are a number of parents and a number of groups of parents expressing concerns.

This is a phenomenon which is growing in this province. More and more parents are grouping together because they realize the futility of trying to operate individually. They are grouping together to bring to the attention of individual schools or school boards and of this ministry and this government their concern over what is happening to their children in the schools of this province.

This is not to suggest for one moment that there aren't many groups of parents in the province who are quite satisfied with what is happening. However, there is a sufficient number of parents' groups—and I repeat, the number is growing—to cause concern to anyone in this Legislature and to surely give concern to the Minister of Education as to why we are getting this negative feeling.

The particular group to which I have just referred, PIE, is now a national group; it has only recently begun forming in Ontario.

Hon. Miss Stephenson: Do you know where it started? Would you read the note I just sent to you?

Mr. Sweeney: With reference to the note the minister just sent over to me, I think the point still stands. There is a group of parents in the province who are concerned about what is happening to their children. The only reason I am bringing this to the minister's attention today is because it seems appropriate to me that we consider them as one of several groups.

I would draw to the minister's attention a most recent event, right here in the city of Toronto. A group of parents representing French-speaking children have had a long and running discussion with the Toronto Board of Education over the formation of a French-language school and have gone so far as to be concerned about the formation of a French-language school board in this province.

I would draw to the minister's attention the groups of parents that have formed in several of the municipalities around Metro very concerned about the closing of their

local schools. The minister is as aware as I am about what has been happening in North York. The minister indicated in her recent statement that she wants the school boards of this province to have more appropriate guidelines with respect to the closing of schools.

The minister is also aware of a very large group of parents in the Simcoe area concerned about a program put into the public schools of that jurisdiction, a program with which they disagree.

The minister is also aware of a very significant growth in enrolment in the independent schools of this province, a growth from approximately 40,000 five or six years ago to something in the neighbourhood of 64,000 today. That's a 50 per cent growth over a relatively short period of time. It is my understanding that the parents who choose this route do so overwhelmingly because they feel they do not have the kind of voice they think they should have with respect to what's happening to their children in the public school they formerly attended.

Finally, it is very obvious there are groups of parents who have not taken these kinds of actions who are expressing in many different ways the fact that they want to get back to some sense of a real community school. They want to get back to some sense of really playing a part, along with the teachers, in the nature and the quality and the type of education their sons and daughters are going to get in the schools.

The entire issue I am trying to draw to the minister's attention—and perhaps it isn't necessary for me to do so, but I think it's appropriate at this time—is that there is outside of this Legislature, in the educational system of this province, a growing and a significant phenomenon of groups of parents who want to have a great deal more say about how their sons and daughters are educated in the schools of this province. They also want to be assured that things will not happen to their sons and daughters in the schools that they don't want to happen.

Very recently a question was raised about those boys and girls in our schools about whom the parents don't seem to be as interested as they should, where in fact we might actually have neglect involved, where we might have a form of mental abuse or emotional abuse involved. I would remind the minister, as I did the questioner, that we do have within the recent Child Welfare Act a provision to take care of that.

I don't think the issue is those children for whom teachers must truly take the place of parents, for whom they must be deeply concerned because their parents are neglecting them in one way or another. That's not the issue. We have provisions in the law of this province to take care of that. The issue is those students whose parents are genuinely and deeply concerned about what happens to their sons and daughters in schools and who have a sense that they are not being allowed to play the kind of role they should have.

Tied along with that particular issue is this whole question of bigness. In this province we've been through a period of big schools, big school districts, big school administrations. I have to wonder whether or not the kind of parental backlash we're getting is not a reflection of this bigness. I have to wonder whether or not the time hasn't come—and we touched on this very briefly in the estimates, too briefly in my judgement—where a serious look needs to be taken at the effects.

[5:15]

We're talking about 10 years after the setting up of the large consolidated school boards: whether we shouldn't take time, 10 years later, and seriously examine what the impact has been; seriously ask whether the quality of education we believed at that time would be improved has been improved; whether the relationship between parents and teachers is better today than it was then; whether the scarce dollars we have available to spend on the education of the boys and girls in Ontario is being spent as wisely as it could be; whether the involvement of the community in true community education in the various jurisdictions around this province is better today because of these larger consolidated school boards than what it was before, or as it could be if there was some modification. Within that same framework, ask about the size of schools that have evolved from it, the very large district high schools and the very large consolidated elementary schools. What do we know about the quality of education in those? What do we know about the degree of community involvement in those schools before and after, or what might be?

I suggest that we've spent a great deal of time talking about a lot of the other details of education, this very central, significant issue needs to be one that more attention be given to. It seems appropriate to me we take the time to look at that.

I want to end up with one comment with respect to my original remarks.

There is a program that is in use in many of the schools of this province called "values

clarification." It was a program developed by Sidney Simon from the United States. I'm not going to go into any detail because I'm sure the minister has access to that as well as I do. But I want to ask the minister or her officials to some time relatively soon examine that program and examine some of the exercises the students are asked to participate in.

I have just one I'd like to share at this time. There are, I understand, many like this

This is a situation where relatively young children, in grades six, seven and eight, are asked to put themselves into the position of being a selection committee, a situation where there is, after a nuclear war, space in a shelter for only six people and there are 10 people standing at the door supposedly waiting to get in. These 10 people are described in various ways in terms of their age, in terms of their racial background, personality traits, contributions they might make to a future society. These young children are asked to eliminate four human beings.

I know at some point in their lives they might be faced with that but not when they're 11, 12 or 13 years of age. That's just one example among many with which the Minister of Education and her officials should acquaint themselves and ask whether this might not be one of those situations where we could be doing more harm than good.

Mr. Warner: It is evident to each of us, as the estimates for the Ministry of Education concluded, there was a message of which the government and each one of us is painfully aware. The declining enrolment has been a delightful opportunity for the government to cut back in its funding and it has deliberately chosen to shift the burden of property taxation to the municipalities and to the tenants and home owners. As the minister is well aware, that process of erosion has been going on for several years now in Metropolitan Toronto and, of course, elsewhere, but I speak in terms of Metro Toronto since it's the area I know best.

Our own area of Metro Toronto has seen a decline in the education commitment from this government over the last few years. I expect that as long as this party is in power we'll see a further decline and a shift, of course, to the property tax. That's the wrong way to go. The government may feel that at this time they are able to do that and hide it under the guise of the declining enrolment. Sooner or later it will come to an end of the road, because the taxpayers will no longer tolerate this shift.

I suppose the government would like to reach the stage where 100 per cent of the education dollars come from the property tax instead of the present 80 per cent in Metropolitan Toronto. They've reached that unhappy state in the city of Toronto; the city of Toronto, in fact, is in a negative position, as the minister well knows; they collect more in property tax. Through the distribution mechanism for Metro Toronto, of course, some of the other boroughs and the city of North York were able to obtain some of those dollars.

The shift has occurred to the extent where I believe—I stand to be corrected perhaps within a percentage point—approximately 21 per cent of the education dollars for Metro Toronto come from the provincial government. Yet it was just a couple of years ago when it was around 34 per cent.

That's an absolutely wrong policy, Mr. Speaker. Property tax, to begin with, is basically a regressive tax. It is not linked to income levels in other than a very crude form. It's not sophisticated. I firmly believe, as this party has said on many occasions, that the funding for education should not be based on the property tax and that it should be based on progressive forms of taxation. That, of course, is in complete opposition to the government's policy. I certainly look forward to the day when that policy can be reversed.

I just wanted to take this opportunity on the finalizing of the estimates to lend my voice of complete frustration with the government. I've said it on many occasions and I'll continue to say it every opportunity I get: their funding policy for education is wrong, totally wrong. Instead of using the declining enrolment as an opportunity to improve the quality of education they use it as an opportunity to get out of their obligation to supply the dollars needed. That is a very sad thing indeed.

Mr. Cooke: Very briefly, Mr. Speaker, I want to associate myself with the remarks made by the member for Scarborough-Ellesmere. I found it interesting that during the estimates the Minister of Education agreed that property taxes should not be covering as much of the expenses for school boards as they are presently covering. She indicated that eventually at some time in the future the government would be reversing the present trend and eventually get it back to 60 per cent. That's on the record and it was an exchange between the member for Windsor-Sandwich (Mr. Bounsall) and the minister.

The minister, as I said, indicated very clearly that she believed that too much of the education funding was coming from property taxes. I suggested to her that if she believed that she should go to the corporations and the individual taxpayers of this province and collect the necessary money to put into education and properly finance it through a progressive tax system rather than the regressive property taxes. School board trustees are very reluctant to increase the mill rate these days because the mill rates have gone up so dramatically in the last few years because of this government's policies.

Because there's a vacuum on the part of this minister and this ministry, all across this province we're seeing schools closing and teachers being fired because of declining enrolment and no policy from this provincial government. In fact, the Jackson report has been out for a very long period of time now. I believe it is approaching a year, or is it over a year now? Ten months; we are close to a year.

Originally the minister indicated there was going to be a response in June or July. Then we were told it was coming in September or October. Here it is December 17 and we still have no response from the Jackson report. That report gave a series of very, very positive recommendations, both on funding and how to cope with declining enrolment.

Mr. Speaker, I think this minister, since taking over as Minister of Education and Minister of Colleges and Universities, has presented the people of Ontario with absolutely nothing in new initiatives of how school boards can cope with declining enrolment. By the time they come out with a response to Jackson, the major decisions by school boards will have been completed and implemented, schools will have been closed, teachers will have been fired and decisions will have been made that will be impossible to reverse.

I just want to state, on behalf of my party, that we are not satisfied with what this minister is doing and with the lack of initiative she has taken as apparently, or supposedly, the person in charge of education for this province.

Hon. Miss Stephenson: Mr. Speaker, I would like to tell the member for Kitchener-Wilmot that I was interested to read these documents he provided. As I have confessed to him, I have no idea what the diagnosis sub mucus palate is. I have never heard it before in my life and I doubt that anybody else has either.

Mr. Nixon: The Minister of Labour (Mr. Elgie) knows what it is and he's not even opted out.

Hon. Miss Stephenson: I will consult with him. This is interesting material that has been provided by PIE, with whom I have had at least two meetings in the past, or who have had representatives present at meetings I have attended.

I share the honourable member's concern that parents are now wishing to participate more fully in the educational process. I think that is entirely true and I think there are very good reasons for it.

For a number of generations the teacher in the community was probably an individual of greater educational standing than many other members of the population of the community and enjoyed a degree of status which was not widely enjoyed by other members. Indeed, there was a little apprehension about questioning the teacher. Although one did discuss or talk with the teacher, one tended to take the teacher's advice without too much question.

The educational system in the province has produced a population of generally higher level of educational achievement than has ever been achieved in any jurisdiction before. Parents are now asking questions—and quite rightly; they should do so. They should ask questions about the educational program. They should tend to participate more vigorously in education than perhaps they have done traditionally. I hope we are coming out of the phase where we have been mesmerized by the expertise of one group or another within our society.

It had been my sincere hope over the past 13 months that I would be able to persuade parents to become more actively involved in consideration of educational concerns—to become very much more involved in the election of those representatives who are going to, on their behalf, deliver the educational programs within the community where they have jurisdiction and be responsible for the very large amounts of money they have to expend on behalf of education.

I have been asking parents, as well, to participate through such organizations as parent-teacher associations. I think it is an appropriate channel to ensure that the concerns of parents in groups are directed specifically to the educational system at the local level and at the central level. I think that is a reasonable thing to do.

The member for Kitchener-Wilmot has again reminded me of the growth of independent schools. There isn't any doubt that

has happened because we have had an influx in immigration into our province of a number of people with a specific group of religious beliefs which they think must be fostered within their own religious schools. That, of course, is something which Ontario has always understood. That understanding continues and we do attempt to participate by ensuring that the standards in those schools are reasonable and do approach the standards which are required in the public school system.

[5:30]

I should like to assure the member for Kitchener-Wilmot that we really have begun a very careful examination of the quality of the educational program in Ontario through a number of examinations—reviews of a number of aspects of the educational system. We will be moving, as he very well knows, through a further assessment and evaluation process in the assessment instrument pool which will be put into effect, at least in a field-testing mechanism, some time during the next 12 months and which will provide us with the kind of careful look at what the educational system is doing in the elementary-secondary system which I think can provide us all with guidance—not just the Ministry of Education but teachers, school boards, students and parents alike. I am very hopeful that the kinds of initiatives which we are taking and will be taking will give us some direction.

The concern about values clarification is one which I share. I am not really sure how easy it is to integrate a value system that doesn't have some very clear definitions into an educational system. I think all of us within this Legislature realize there really isn't any relative state of what is right and what is wrong in many instances. There are many situations which have to be either black or white, right or wrong. It is difficult to provide in an unstructured way that kind of examination of moral issues which must be undertaken by young children, even those who are just beginning in the educational system. Therefore, we have been looking very carefully at the way in which that can be integrated into the system most appropriately.

I am not at all sure of the route at this point, but I can promise the honourable member I believe this is a problem which we must have solved by the end of this school year. I do not believe we can remain in this state of suspended animation, appearing to some people to be moving in the direction of moral relativism and, in the eyes of others, there appearing to be an absence of anything. I believe we have to make some very positive moves in this direction.

As far as the member for Scarborough-Ellesmere is concerned, I can only suggest to him that, if he had taken the time to participate even briefly in the estimates discussion he probably would have heard a great deal about the increase in the funding of education, a great deal which might have been useful to him.

I would also remind the member for Windsor-Riverside (Mr. Cooke) that he, again in his usual fashion, is attempting to misinterpret what I said in the committee. What I said in the committee was that it was indeed the provincial objective to reach the level of sharing of educational funding which was suggested by Dr. Jackson and which was set out as a goal by the province several years ago; that undoubtedly we are going to continue to strive in that direction; but that I couldn't possibly tell him when we were going to meet it, because I don't know at this stage of the game. I am not saying that he is entirely wrong; it is simply that he distorted my words for his own purposes, devious though they may be at this point.

The honourable member also suggested we were closing schools right, left and centre and losing teachers all over the place. I would have to tell the honourable member that there was an increase in the total number of teachers in the elementary and secondary school systems in Ontario in 1979. There has not been a decrease. I would anticipate there may be a slight decrease for the year 1980, but I will get those figures for him.

Mr. Nixon: What was the decrease in student population?

Hon. Miss Stephenson: We have a decreasing student population, rapidly decreasing.

Mr. Nixon: By how much?

Hon. Miss Stephenson: Between 1976 and 1984, the school population in our secondary schools, on average, will decrease 20 per cent. In urban areas it will be 30 per cent unless there is a massive change in immigration policy.

Mr. Nixon: And there is not going to be any change in teacher numbers?

Hon. Miss Stephenson: Apparently there is not going to be any change in teacher numbers, according to the member for Windsor-Sandwich.

According to that honourable member, it would be inappropriate to even decrease the increase in the number of teachers within the educational system in Ontario, in spite of declining enrolment. I understand his concerns and I understand totally the motivation behind his concerns, but I believe the Ministry of Education, the taxpayers of this province and the boards of education of this province recognize that they should be taking the opportunity available to them at this time, with the very marked decline in enrolment which is now occurring and which will continue to occur for at least the next five years, to enhance and improve the educational system in this province.

That is precisely the goal of the Ministry of Education. I know it's shared by a very large number of boards and I am aware there are many taxpayers, many parents, out there who agree with this completely. I am also aware that much of the Ontario Teachers' Federation membership agrees completely with that goal and that principle. I can only assure the honourable members, in spite of the continued malevolent statements made by certain members of the opposition, that indeed that's the goal we have and the one we are striving to reach.

I would move concurrence in supply for the Ministry of Education.

Resolution concurred in.

MINISTRY OF COLLEGES AND UNIVERSITIES

Mr. Sweeney: Mr. Speaker, once again, we very recently completed consideration of the minister's budget estimates and I don't intend to go over the same ground again. There were a couple of issues here as well, however, that we didn't spend very much time on. Perhaps we could spend a few minutes on them right now.

The first one I want to touch on is the advisory bodies that report to the ministry. The one reporting on university affairs, the Ontario Council on University Affairs, very recently presented a report entitled System on the Brink. This advisory body is trying to bring to the attention of the minister and the government the fact that if the funding procedures, the funding mechanisms, the funding levels which have been given to the universities of this province continue over the next two or three years—up until 1983, I believe they said—then the universities in this province will have reached such a point of deterioration it will take a very long time, if it is even possible, to recover.

That's a rather stinging indictment, I would suggest, and it is a rather sad one too. It is well known across Canada that Ontario spent a great deal of energy and a great deal of money building up its university system to be one of the best in the country and yet we hear from all sources—not just this advisory body, from the students, from the faculty and from the university administrators—that the funding that's been given to these universities in Ontario over the last six or seven years, I guess it is, they keep referring to has been such that we are, to use their expression, "on the brink."

Now I guess it is really in the minister's front yard, in the government's front yard—and I use the term "front yard" before we get to the "back yard"—right now to pull the system back from the brink rather than to let it topple over. The analogy, quite obviously, is it's going to be easier and less expensive to pull it back from that brink now than to wait for it to topple over and to have to climb down and pick up the pieces and try to put them all back together again. I am only hoping the minister is truly listening to that message.

We did mention during the estimates that the chairmen of the boards of governors of the universities across this province had come to the minister and had come to the Premier (Mr. Davis) and made a very strong petition to the government on behalf of the same principle, that as time went on they would be able to be less and less responsible for what was happening. They felt a great sense of responsibility. In most cases, as near as I know, these are all volunteers. They are businessmen, they are academics of one type or another, they represent labouring professions, they represent student bodies and they are deeply concerned about the institutions they represent. They are not saying it on their own behalf. In many cases it is not just for themselves, it is for the wider society, the wider group of which they are a part. That is the one group.

The other advisory body is that with respect to the community colleges. One of the questions I would have to ask the minister at this time is why it is that the advisory body, the council of regents, reporting to the minister with respect to the community colleges, the colleges of applied arts and technology, don't report with the same kind of openness that the universities do.

I think the minister realizes it is important for the public and for members of this Legislature to be as aware as possible about what those concerns are and I don't mean it from a critical or a negative point of view. I think

there have been some very good debates in this Legislature and in the committees, the education committee or the Bill 19 committee and in the budget estimate committee. There have been some good debates as to what the issues are and what the concerns are and what might be done about it. The minister realizes that that is only possible if the kinds of reports that come to her attention from the council of regents are distributed with the same openness as those reports that come from the council on university affairs.

I realize that the relationship between the community colleges and the ministry is somewhat different than the relationship between the ministry and the universities. I recognize the greater autonomy and the greater independence of the universities. That is recognized, but surely that is not enough to deprive the public generally and the members of this Legislature of the kind of information the council of regents is giving to her. I would be very pleased to have the minister indicate the kinds of information she gets and the degree to which it might be available to us, if not in its present form, in some other form.

The second issue I would like to bring up at this time is one that has been brought up over and over again. I only want to bring it up once more because I still think it is so important and that is the role of polytechnics in this province. I am not saying it just because of Ryerson. I happen to have a particular affection for Ryerson, as do many members of this Legislature and as do many people outside this Legislature. But it is the whole concept of the polytechnics I want to address myself to once again.

I know the minister has brought to our attention that there are other institutions in this province that share some of the role of a polytechnic, that share some of the same kinds of programs that are available in a polytechnic like Ryerson. I know that in the University of Waterloo, in Lakehead University, in some of our community colleges there are elements of that kind of composition. That's fine; that's good; that is to be applauded. But surely the key to Ryerson is in its having that duality—that duality of top-notch technological training, that top-notch technical training, that top-notch business training and, at the same time, having the humanities aspect of it.

It seems to me—and this is something I am sure the minister has heard Walter Pitman, of Ryerson, say over and over again—this is almost the time for the type of institution like Ryerson to be enhanced and to be enlarged. The minister may recall, from previous discussions with her predecessor, that I among others had suggested that maybe a serious look should be made about having other Ryerson-type polytechnics, at least one in northern Ontario and at least one in eastern Ontario. There is a quality and a nature about those parts of the province which in my judgement would lead themselves to be well served by a polytechnical institute in conjunction with the kind of service they are getting at the present time. How the balance would be made, I don't know. I don't have the minister's staff.

I would just like to raise these two issues at the present time and hope that we could get some response from the minister.

Mr. Martel: I want to make a few remarks on Laurentian University. Particularly since I overheard in the halls of this building I would appear before the ministry to discuss Laurentian University with trepidation. I must take this occasion to indicate that I am still here, standing without shaking.

I continue to be amazed by the minister's response to Laurentian University's dire needs. In her latest correspondence with me she says Laurentian University is adequately financed. I find it terribly distressing for a minister to suggest that Laurentian is adequately financed when this year it might have to cut out the geology course, which is somewhat important to the mining engineering course. It might have to cut the modern languages program, there's a possibility of the university having to reduce the philosophy department to nothing and it is having a problem with anthropology. And, as important, it is having trouble providing the number of courses required for the francophone community in northeastern Ontario.

This latter comment isn't my own. It comes from the budget committee at Laurentian University where the number of students who take the bilingual course is decreasing annually because most of them go to Ottawa where the options are more numerous. Something like 70 per cent of francophone students go to Ottawa rather than Laurentian because they can't get the variety of courses they need in order to meet their requirements—the number of options necessary.

Hon. Miss Stephenson: They don't have a medical school at Laurentian.

Mr. Martel: No one is suggesting a medical school. Seventy per cent of the students go there. I've spoken to the students and I have the comments of the budget committee

before me. They can't meet the number of options that allow students to stay at the university. They just aren't there.

This is one of the reasons I and a number of other people over the years have argued that Laurentian has a special status in Ontario whether we like it or not. Not only is it an emerging university—it's 15 years old—but it has two official languages. Surely we both agree that it takes more funding for that type of situation.

Hon. Miss Stephenson: They get more funding.

Mr. Martel: I understand they get more funding. But if the funding isn't there to meet the needs of the area then you have to provide even more funding. You don't start to cut back because what's going to happen is the domino effect; the more you cut back the fewer students are going to be there. So it needs additional funding.

I don't care what the Ontario Council on University Affairs recommends with it. In Sudbury we know that students aren't coming. They're going to Ottawa instead and we know the reasons. That's been documented. Regardless of what they say, we have to have some type of formula so we can attract students—offer the options necessary to entice students to come to Laurentian as opposed to Ottawa. That will not occur under the present arrangement. It's as simple as that.

The minister knows that in addition to the francophone options, we are in danger of phasing out philosophy. In her recent letter to me, the minister says, let me quote: "Consequently, Laurentian must adapt its course options to the needs of the region and the wishes of the students of northern Ontario. If it is their decision not to enrol in philosophy at Laurentian, then I for one do not propose to direct tax dollars to finance something for which there is no demand."

Yet the budget committee said to me, "Philosophy is one of the departments that has successfully responded to the needs of off-campus students."

There is only one university in northeastern Ontario and it has to serve more than Sudbury. The university goes to Timmins, Iron Bridge and a variety of places. Among the courses being taken are the philosophy courses, but they might have to eliminate their philosophy department. They tell me philosophy is one of the departments that has successfully responded to the needs of off-campus students.

The department has also developed a program in law and justice that is receiving good student response from across the province. Isn't it strange that because of a lack of funding they are going to have to cut somewhere? It has reached that point. It doesn't matter whether it is philosophy—they took that as one of the options. They can cut out that course in its entirety almost, simply because there isn't enough money to go around.

It isn't like the University of Toronto. When 26 staff members are cut at Laurentian University, that is 15 per cent of the staff. When 26 faculty at U of T are cut, I guess no one would notice it. The University of Toronto doesn't have to serve all of Metro Toronto, because there is York University. But Laurentian has to serve Timmins, Sault Ste. Marie and North Bay.

The minister can't make those arguments stick, but she tries. She says, "They have enough money." Obviously, they don't have enough money because they are wiping out four courses.

One of the courses being cut out that's of tremendous significance to northern Ontario is geology. We finally established a four-year mining engineering course several years ago, now geology is going to be cut. Does that make sense?

Hon. Miss Stephenson: No. But that's not my decision, it's theirs.

Mr. Martel: But it is the minister who holds the purse strings. That is the game she doesn't want to talk about. The minister controls the purse strings.

Hon. Miss Stephenson: Come on, they get more BIU than anybody.

Mr. Martel: The minister still controls the purse strings. When she has a university that is not only bilingual but a new university, she can't play that game. Laurentian, unlike the University of Toronto, has not been able to build up its funds. Only 15 years ago we took roughly $8 million out of the Sudbury area to get that university going. The minister can't say it is their choice. If they don't cut there, they will have to cut in another department. So they are taking the one which is less painful.

What could they do? Could they cut their translation courses? What are they going to cut? That is the problem. When one starts the surgery it has to be pretty drastic. It is drastic to cut out a whole course, geology, or it's drastic to cut out the modern-languages course, or philosophy. It is just intolerable.

For the minister to suggest to me that Laurentian is getting adequate funding is obviously not the case, because the needs

are different. It isn't a nice, compact university like the U of T. It is widespread. More than half of its students are part-time students, so that's where most of the revenue comes from.

Then we hear from Dr. Ed Monahan, the former president of Laurentian. What does dear old Ed say? "Go out and borrow some money." Isn't that wonderful? If you want to finance the institution, go out Laurentian and borrow some money. That's a real solution to the problem of a small university. And I remind you that this is a small university that serves a region bigger than southern Ontario itself in square mileage.

Ed tells us to borrow some money. Those solutions simply aren't adequate. We have to get from the minister some sort of funding which will not allow this to happen. We met with the Minister of Education and the Minister of Northern Affairs (Mr. Bernier) to try to find a way of getting $500,000 for Laurentian, which I guess would resolve the problem. To my knowledge, that has not as yet been accepted by the government. In fact, I guess it has been rejected.

Hon. Miss Stephenson: No.

Mr. Martel: All I have is the most recent letter from Dr. H. B. M. Best, president of Laurentian University, to the minister, indicating what Laurentian is trying to do, how it is trying to get a committee going. The minister has to understand that in Sudbury we had major layoffs two years ago and a major strike this year. How do we raise funds in that type of environment, if we're going to go to many of the people in the Sudbury basin to put out the cash? It just doesn't work. Conditions are bad.

It's coming, though. But, until that takes effect, can we allow those cutbacks to occur and then go out and try and raise the money? It's just impossible.

Hon. Miss Stephenson: If you hadn't got any students to teach—

Mr. Martel: We haven't got students because we are cutting back. Why are the students going off?

Hon. Miss Stephenson: You tell me. Why are they voting to go off elsewhere?

Mr. Martel: They're going off to Ottawa because they can get the number of options they need.

Hon. Miss Stephenson: Toronto, Queen's, Western, McMaster, Waterloo, Wilfrid Laurier, Windsor.

Mr. Martel: Going down.

Hon. Miss Stephenson: Why are they going south?

Mr. Martel: Right. We have nothing in that university that's a drawing card to the university. Even Lakehead University at least has the forestry course which serves as its cornerstone. Laurentian hasn't any real drawing card. Some universities have medicine; some have dentistry.

Hon. Miss Stephenson: They have geology, mining engineering.

Mr. Martel: They're just moving into mining engineering, and we're already forced into the bind where we're going to have to cut the geology course.

Hon. Miss Stephenson: Cutting geology at Laurentian is an asinine suggestion.

Mr. Martel: But that's what they're suggesting.

Mr. Warner: You're forcing them to.

Mr. Martel: They haven't got the money, what other course can they cut? What else can they cut?

I hope before this little discussion is over the minister will tell me where they can cut so I can go back to Dr. Best and say: "Look Henry, this is wrong. You should cut here and here and here and things will be better."

In Dr. Best's letter of just a couple of days ago, he does take strong exception with the minister on a number of points. For example, on her point on philosophy, he says: "Where a region is served by more than one university, it is possible to eliminate duplication or to have one university drop low-enrolment programs. In the case of single regional universities, elimination of basic or fundamental university programs can be the beginning of a loss of university status, with the corresponding subsequent decrease in enrolment in related programs and ultimate disintegration. We firmly believe that offerings must be kept up to the base minimum, unless enrolment justifies expansion beyond that."

Philosophy is a good example. The minister, in her letter just previous to this, tells me, "We can't force them into philosophy." No one is suggesting that. But if you don't have the funding to keep a core there at least, it's going to die. It's the domino effect in reverse. And it's going to occur; and the minister knows it.

Dr. Best indicates we are serving a large area with unique situations. My concern has been—and I've expressed it to the minister many times, in correspondence—that if we start to cut, and the cuts continue, we're dead. They might as well close the door, and we don't want that. We can't afford it.

Regardless of the formulae that are used, because of circumstances we simply have to have an opportunity to get over the hurdles we've had in the last two or three years, from 1976. We've got to maintain the courses that are there to ensure we can attract students. Somehow we've got to devise a drawing card. I've been arguing with Laurentian for seven years it should be mining and metallurgical engineering. It would be a natural in view of the research and development that could go on. But what's going on there now will be a disaster, if those four courses are cut.

I've talked to two of the best university people who have just left. They handed in their resignations and will not be back next fall. They're going because they feel the end is in sight for Laurentian.

Surely, there has to be additional funding to get us over this hurdle.

Mr. Acting Speaker: The member for Windsor-Sandwich has the floor but I would ask him to hold his remarks until eight o'clock this evening.

The House recessed at 6 p.m.

APPENDIX

(See page 5573)

ANSWERS TO QUESTIONS ON NOTICE PAPER

PHYSICIANS OPTING OUT OF OHIP

308. Mr. Breaugh: Apart from the information to be contained in the response to question 173, would the Minister of Health table information, based upon the three-month notice of intent to opt-out of OHIP filed with his ministry by any physician who wishes to withdraw from OHIP, specifying the number of opted-out physicians by county in the following medical fields on a quarterly basis from December 31, 1977? Would the minister also state what percentage this number of opted-out physicians represents in terms of the total number of practising physicians in that field in that county? The medical fields include: general practice/family medicine, internal medicine, neurology, psychiatry, paediatrics, dermatology, physical medicine, general surgery, cardiovascular and thoracic surgery, urology, orthopaedic surgery, plastic surgery, neurosurgery, ophthalmology, otolaryngology, obstetrics and gynaecology, anaesthesia, and diagnostic radiology. (Tabled October 16, 1979. Interim answer November 1, 1979. Approximate date information available December 10, 1979.)

See sessional paper 292.

FOSTER CARE

371. Mr. McClellan: 1. When did the Ministry of Community and Social Services conduct an investigation into the death of Shawn Lee Mandamin; who conducted the investigation; what are the results of the investigation and specifically will the minister explain how it was possible for an infant ward of the children's aid society to be killed by child abuse by a CAS foster parent in a CAS foster home? 2. What is the current status of the Paquette children in Ottawa; how long were they kept in the admission and assessment home because of the lack of suitable foster care? 3. How many: (a) native foster homes; (b) francophone foster homes are available in Ontario; of these, how many are currently in use? 4. Why has the number of foster homes in Ontario declined by 34.7 per cent between 1966 and 1978? 5. Why has Ontario failed to maintain a 3:1 ratio between available foster homes and foster homes in use. (Tabled November 30, 1979.)

Hon. Mr. Norton: 1. The Ministry of Community and Social Services conducted a review into the depth of Shawn Lee Mandamin January 15 and 16, 1979. A child welfare consultant went to the society, interviewed staff and reviewed the case file. The results of the investigation are as follows:

A foster home study was completed February 14, 1978 and was supported by three good letters of reference. The family involved stated a preference for a white child on the foster home application. The foster home report indicated that this comment was discussed in detail with the family. The society worker decided the comment was due to a lack of understanding of native people. It is not unusual for potential foster families to identify the type of children they are willing to care for. It is the responsibility of the society to review and determine the reasons behind statements of preference. A native child was placed in the home in March for three months. A CAS worker saw the parents monthly and had several telephone conversations with them. A positive reassessment report on the foster home was completed in June by the CAS.

Shawn Lee Mandamin was placed in the foster home September 19, 1978. At this point, one might take issue with the procedure followed. Technically the provisions of the Child Welfare Act require that, "every child placed in a foster home or other home shall be visited by a social worker within seven days after the child's admission to the home; at least once within 30 days after this visit; and at least once every three months after the 30-day visit except where the local director directs otherwise." In this case visits were made by other community agencies to the family and the family visited the CAS in the office on two occasions. In total, the child and family were seen by the professional community and society staff on six different occasions. The sequence of visits were as follows: October 6, 1978, infant stimulation worker visited the home; October, office visit by family; November 1, infant stimulation worker visited the home; November 29, infant stimulation worker visited the home; November 30, public health nurse visited the home; December 16, family visited the office.

Although our investigation found that the procedures outlined in the regulations had not been strictly followed, it was determined that the family was not isolated in the com-

munity and that the society was aware of the involvement of other agencies with the family. There is evidence of planned involvement of other community professionals at the time of the child's placement. The society was found to have adequate procedures for servicing the foster parents, although they were not strictly followed in this case. The society felt that adequate professional contact was being maintained with the family through telephone calls and visits to the society, visits from the infant stimulation worker and the regional public health nurse.

Steps have been taken to ensure that the society adheres to the procedures dictated by the act, while continuing to make use of community agencies where appropriate. The ministry has been stressing, particularly since the formation of the children's services division, this community co-operation.

Our review of this case found no evidence or indication of previous ill-treatment of any children in this foster home nor any indication that warning signs of the foster father's behaviour were given.

A child has died and the tragedy of this event cannot be overstated. We should be particularly concerned when our efforts to help have the opposite effect. I have instructed my area staff to review the activities of this agency on a periodic basis to assure that the adequate procedures which they have in place for the selection and monitoring of foster homes are being followed.

2. With regard to the Paquette children in Ottawa, I am not free at this time to comment on the present status of the children due to the imposition of a court order that information leading to the identification of the children may be injurious to their emotional health.

In response to the question regarding the Paquette children's stay in the CAS assessment home, I wish to emphasize the use of the assessment home was not in any way due to the lack of foster homes for children. I advised the honourable member for Bellwoods of this in response to a question he tabled May 23, 1979. The children were moved from their foster home placement in September 1978 because of adjustment problems. The Ottawa/Carleton CAS felt that the children also required psychological assessment. For these reasons the society was attempting to limit the number of placements and provide a constant stable environment for these children while awaiting the outcome of court proceedings.

3. Each children's aid society across the province keeps track of its own foster home inventory and the number of homes in use as well as the number available. This number can change on a weekly or even daily basis.

Specific information on the number of foster homes suitable for the placement of native and francophone children currently available in Ontario is not readily assessible. Children's aid societies are already required to provide considerable information to the ministry and we have therefore not asked them to report information related to francophone and native foster homes.

With regard to francophone foster homes, we provided $36,000 to the Ottawa/Carleton CAS to carry out a recruitment campaign entitled Creating Links. The campaign began in March 1979 and has been extended to December 1979. The results to date have been: 30 new francophone foster homes; tripled inquiries; quality foster parents attracted; 150 francophone foster parents on file; improved understanding in the community.

In addition to the francophone campaign, the ministry has provided $35,000 to run a multilingual recruitment campaign through CFMT-TV, Channel 47, Toronto. The goals and objective of the projects are: To recruit suitable foster parents from specific ethnic target markets by utilizing professionally produced advertisements and purchasing commercial air time on multilingual television; to increase the number of appropriate foster placements within the identified target markets; to measure the effectiveness of multilingual television as a medium for generating suitable referrals from the specific ethnic groups; to develop, produce, and air three 30 second commercials, and one five minute mini-documentary, each to be dubbed in English, French, Italian and Portuguese; to develop the organizational and administrative procedures required to successfully advertise and promote foster care and recruit foster parents on an interagency basis utilizing a centralized approach.

4. A number of studies have been carried out or are currently being completed that describe current trends in foster care. The studies indicate a general decline in the relative use of foster care in our child-care system. Some of the major reasons for this relative decline are inferred from the statistical and qualitative research that forms the basis of the reports on foster care. They include: Poor recruitment programs; poor orientation training and support services for foster parents; inequitable compensation rates between service groups; absence of a consistent philosophy around the purposes of foster care and the client group it serves.

The ministry is presently identifying problems in the recruitment process and developing market strategies to improve the foster care process. The ministry is attempting to improve and generally enhance foster care in Ontario through the development of foster care standards and implementation of various initiatives. The initiatives are: A review of foster parent rates; a public campaign to improve the image of foster care; staffing increases for societies for foster care services; special foster care projects designed to create networks of specialized homes to care for disturbed teenagers; the development of adequate and equitable support services for foster parents to reduce the present burnout rate of foster parents.

5. The province of Ontario does not have a policy on number of available homes and the number of foster homes in use. It has been suggested by some society case workers that the total number of foster homes in the system should exceed those in use by a ratio of 3 : 1. A consulting firm has been retained to give us more precise information on the number of foster homes needed in the system.

MINI-SKOOLS DAY-CARE CENTRES

373. Mr. McClellan: Will the Ministry of Community and Social Services advise the House: (a) What was the enrolment of children at the following Mini-Skool day-care centres; Queensview, Brimorton, Tuxedo Court, Willowdale, Kingsview I, Kingsview II, Bramalea-Kingscross, for each of the months of June, July, August, September, October, 1979? (b) How many times and on what dates were each of these facilities inspected by the ministry during 1979? (c) What were the results of these inspections and specifically what violations, if any, of the Day Nurseries Act and/or regulations were observed? (Tabled December 3, 1979.)

Hon. Mr. Norton:

ENROLMENT – MINI-SKOOLS
(1979)

School	June	July	August	September	October
Queensview	50	43	57	52	49
Brimorton	35	32	31	40	39
Tuxedo Court	105	94	90	105	125
Willowdale	227	202	186	200	221
Kingsview I	86	79	78	96	103
Kingsview II	89	86	74	88	95
Bramalea-Kingscross	139	117	133	142	144
Totals:	731	653	649	723	776

None of the children enrolled receive government subsidies.

Name of Centre	Dates of Visits	Comments	Violations of DNA
Mini-Skool—Willowdale	January 17	Health requirements unmet	As per letter January 2—Reg. 2(B)
	April 18	Health requirement met—staff shortage	Not in compliance with Reg. 12(3)
	June 8	In compliance with act and regulations	None
	July 11	Licence recommended for renewal	None
	September 28	Drop in call—monitoring	None
	Total visits January-December 10, 1979: 5		
Mini-Skool—Queensview	April 19	Inadequate staffing—supervisor absent.	Reg. 12 (1-3), Reg. 11(a-b),
	June 25	Fire drill procedure and timetable not posted.	Reg. 8 (1-2)
	July 6		
	July 31	Supervisor on vacation, lack of trained staff.	Reg. 12 (1-3)
	September 14		
	September 27	Supervisor on vacation, still insufficient trained staff, resulting in poor program.	Reg. 12 (1-3)
	October 19	Supervisor absent, one more trained staff hired. Playground repairs required.	Reg. 4 (c, e)
		Program upgraded—staffing upgraded.	
		In compliance re staffing—playground work still outstanding.	Reg. 4 (c, e)
		Incompliance with act.	None
	Total visits January-December 10, 1979: 7		
Mini-Skool—Kingsview I	April 9	Health requirements to be met.	Lack of sink in infant room—Reg. 5(2)(a)(1)
	April 20	Sink installed.	Regulation met
	June 6	Staff in compliance with Act.	None
	June 26	Staff in compliance with Act.	None
	October 29	Staff in compliance with Act.	None
	November 6	Fire Reg. to be met—Mr. MacIntosh (Etobicoke Fire) to make return visit and report back.	Update extinguishers and other fire safety equipment Reg. 2(3)(m)
	Total visits January-December 10, 1979: 7		

Name of Centre	Dates of Visits	Comments	Violations of DNA
Mini-Skool—Kingsview II	April 9	Health requirements to be met.	Lack of sink in infant room Reg. 5(2)(a)(1)
	April 20	Sink installed.	Regulation met.
	June 6	Staff in compliance with act.	None
	June 26	Staff in compliance with act.	None
	July 25	Staff in compliance with act.	None
	July 27	Staff in compliance with act.	None
	August 27	Staff in compliance with act.	None
	August 31	Staff in compliance with act.	None
	October 29	Staff in compliance with act.	None
	November 6	Fire Regulations to be met.	Update extinguishers and other fire safety equipment Reg. 2(3)(m).
	November 26	Equipment updated.	Regulations met.
	Total visits January-December 10, 1979: 11		
Mini-Skool—Brimorton	January 24	In compliance with act.	None
	April 17	In compliance with act.	None
	July 11	In compliance with act.	None
	July 25	In compliance with act.	None
	August 13	In compliance with act.	None
	October 31	In compliance with act.	None
	Total visits January-December 10, 1979: 6		
Mini-Skool —Tuxedo Court	February 13	Short staff, a.m., p.m.	Reg. 12(3)
	February 14	Short staff, a.m., p.m.	Reg. 12(3)
	February 19	Short staff, a.m., p.m.	Reg. 12(3)
	February 26	Staff in compliance with act.	None
	April 17	Staff in compliance with act.	Reg. 12(3)
	May 3	Short staff.	None
	June 21	Staff in compliance with act.	None
	July 11	Staff in compliance with act.	None
	July 26	Staff in compliance with act.	None
	October 10	Staff in compliance with act.	
	Total visits January-December 10, 1979: 10		

Name of Centre	Dates of Visits	Comments	Violations of DNA
Mini-Skool–Bramalea-Kingscross	February 2	Sufficient staff.	None
	February 6 and 8	Crib death–staff exonerated by police.	None
	March 21	In compliance with act.	None
	April 17	In compliance with act.	None
	May 11	In compliance with act.	None
	June 27	In compliance with act.	None
	July 3	In compliance with act.	None
	July 25	In compliance with act.	None
	July 30	In compliance with act.	None
	Total visits January-December 10, 1979: 10		

Next visit January 10/80 at request of Kingscross Supervisor.

Total number of visits made to the eight centres between January and December 10, 1979: 56

Average = eight per centre

AMBULANCE SERVICE STUDIES

382. Mr. Breaugh: Would the Ministry of Health indicate what studies have been conducted in the last three years regarding ambulance services, operations facilities, communications, et cetera? Who conducted the studies, for how long a period, how much was paid, what was the purpose of the study; and what action has been taken following receipt of any of these studies? (Tabled December 3, 1979.)

Hon. Mr. Timbrell: A telecommunications study was undertaken during 1976/77 by the Ministry of Government Services for the ambulance services branch. An experienced radio systems engineering consultant was hired on a personal contract basis. The cost of the external consulting service was $40,000. The study was conducted over a period of ten months.

The purpose of the study was to evaluate the existing telecommunications systems used by the ambulance system and Ministry of Health and make recommendations concerning immediate and long term requirements. Recommendations from the study provide the basis for planning and implementation of central dispatch centres. As well, a radio frequency plan for the province was developed.

AMBULANCE COMPANY AUDITS

383. Mr. Breaugh: Would the Ministry of Health indicate which ambulance companies, both private and public, have been audited in the last three years? How often have these companies been audited; and will the minister explain why any ambulance companies are audited more frequently or less frequently than others? (Tabled December 3, 1979.)

Hon. Mr. Timbrell: The following table indicates the total audits completed and reports issued in 1977, 1978 and 1979 to December 10:

Operated by	1977	1978	1979	Total
Ministry	—	—	2	2
Privately	5	9	22	36
Hospital	1	1	3	5
Municipal or Volunteer	2	1	—	3
	8	11	27	46

Note: These figures indicate when audit was completed and report issued and do not correspond to the period actually audited, e.g. Welland audits were for years 1975 and 1976.

Ambulance Services Audited in 1977:

Private: C. D. Watson Ambulance Service, Toronto; Greater Welland Ambulance Service, Welland; Jerome Alexander Ambulance Service, Welland; Quenville Ambulance Service, Hawkesbury; District of Halton and Mississauga, Oakville.

Hospital: Sudbury District Ambulance Service, Sudbury.

Municipal: Department of Ambulance Services, Metro Toronto.

Volunteer: Amherstburg, Anderdon and Malden District Volunteer Ambulance Service, Amherstburg.

Ambulance Services Audited in 1978:

Private: Port Colborne Ambulance Service, Port Colborne; Muskoka Ambulance Service, Bracebridge; Provincial Ambulance Service, Gananoque; Bruce District Ambulance Service, Port Elgin; Seaway Valley Ambulance Service, Morrisburg; Beaverton Ambulance Service, Beaverton; Locke Metro Ambulance Service, Toronto; LaSalle Ambulance Service, Belleville; Rushnell Ambulance Service, Trenton.

Hospital: Central Ambulance Dispatch Service, Windsor.

Municipal: Township of Ancaster Ambulance Service, Ancaster.

Ambulance Services Audited in 1979:

Private: Fenelon Ambulance Service, Fenelon Falls; Sun Parlour Emergency Services Incorporated, Leamington; Westlake Ambulance Service, Zurich; Owen Sound and District Ambulance Service, Owen Sound; W.C. Town Ambulance Service, Whitby; Rutherford's Ambulance Service, Colborne; McKechnie Ambulance Service, Collingwood; Verhoeve Ambulance Service, Langton; Murphy Ambulance Service, Delhi; Woodstock Ambulance Service, Woodstock; Chatham and District Ambulance Service, Chatham; Upper Ottawa Valley Ambulance Service, Petawawa; Cobourg and District Ambulance Service, Cobourg; Thames Valley Ambulance Limited, London; Port Colborne Ambulance Limited, Port Colborne; Book Ambulance Service, Smithville; Mount Forest District Ambulance Service, Mount Forest; Stratford Ambulance Service, Stratford; Fawcett Ambulance Service, Geraldton; Charles Brignall Ambulance Service, Port Perry; Georgian Bay and District Ambulance Dispatch, Barrie; Lewis Ambulance Service, Bradford.

Hospital: Sault-Algoma Ambulance Service, Sault Ste. Marie; Stratford General Hospital Ambulance Service, Stratford; North Bay District Hospital Ambulance Service, North Bay.

Ministry: Windsor Provincial Ambulance Service, Windsor; York South Ambulance Service, Concord.

Only two ambulance services were audited a second time in this period, i.e. Greater Welland Ambulance Service and Port Colborne Ambulance Service. Audits are repeated for a number of reasons, some of which are: termination of operation by existing operator; change in funding mechanism; and a review or evaluation of operational levels and existing funding.

WINTARIO FUNDING

384. Mr. G. Taylor: Will the Ministry of Culture and Recreation advise the House: (1) How many municipal recreational studies have in any way been financed by Wintario since the start of the program? (2) Which are the municipalities that have received such funds and in what amounts? (3) What is the average length of time needed to complete this type of study? (4) Is a recreational study compulsory before Wintario funds can be committed to municipal projects for capital expenditure? (5) What are the names of the consultants who have done recreational studies for municipalities for which Wintario funds have been contributed and what was the final cost of each study? (6) How many applications are there pending from municipalities for funds for recreational studies? By what municipalities have these applications been made and for what amounts? (7) Can a municipality qualify for capital funding by using one of its own recreational studies, done by its own staff, prior to the implementation of the policy on study requirements? (8) Will the ministry accept a study done by the municipality's recreation staff as the study required before capital funds can be applied for? (9) Does the ministry have some basic formula which could be applied, as an alternative to a study, to municipalities applying for this type of Wintario capital funding? (10) Is there a policy whereby previous studies done on the recreational needs of a municipality can be compiled and made available to that municipality when applying for Wintario capital funding, thereby eliminating the necessity for a new study and its corresponding cost? (Tabled December 3, 1979.)

Hon. Mr. Baetz:

1. How many municipal recreation studies have in any way been financed by Wintario since the start of the program?

The ministry, through the Wintario Planning Grants Program, funds two types of studies. The first type is that of a cultural recreation master plan. These are integrated comprehensive planning policies, goals and objectives which reflect the present and future cultural and recreation program facility and open space needs of the community. At the present time the ministry has approved the terms of reference for 11 such studies.

The second type of study that the ministry supports is that of a feasibility study. A feasibility study is an in-depth examination of the need for a specific facility, its location and economic feasibility. The ministry has given approval in principle for 20 municipal projects.

2. Which are the municipalities that have received such funds and in what amounts?

The following municipalities have been given approval for assistance in developing a cultural and recreation master plan:

Ajax—Wintario grant	$25,000.00
Aurora—Wintario grant	10,000.00
Barrie—Wintario grant	29,584.40
Nepean—Costs not forwarded to ministry	
Oakville—Wintario grant	50,000.00
Stoney Creek—Wintario grant	20,000.00
Timmins—Wintario grant	37,950.00
Valley East—Wintario grant	25,000.00
Dymond Township—Wintario grant	6,125.00
Cambridge—Wintario grant	10,066.00
Flamborough—Wintario grant	5,000.00

The following municipalities have been given approval for assistance in developing a feasibility study:

Ameliasburg	$ 2,750.00
Huntsville	4,173.16
Cobourg	2,400.00
Glamorgan	3,450.00
Galway/Cavendish	2,987.50
Chesley	2,000.00
North Hemsworth	2,500.00
Kirkland Lake	4,750.00
Kingston	1,050.00
Walkerton	1,022.43
Oakville	8,375.00
Ansen, Hinden and Minden—No costs available until tender results available	
Thorold	1,400.00
Woodstock	6,025.00
Thunder Bay	11,000.00
Caledon	5,857.50
Shelbourne	3,060.00
Halton Hills	5,000.00
Scarborough	5,250.00
Douro	1,749.78

3. What is the average length of time needed to complete this type of study?

The average length of time depends on the size of the municipality and the terms of reference for the study. Culture and recreation master plans approved so far are taking

from eight months to 12 months to complete. Feasibility studies vary in length from two months to six months to finish.

4. Is a recreational study compulsory before Wintario funds can be committed to municipal projects for capital expenditures?

A cultural and recreational master plan is not compulsory before Wintario funds can be committed to municipal projects for capital expenditures. Cultural and recreational planning studies, at the local and regional level, are being encouraged by the ministry to provide communities with accurate and comprehensive information. This information will then guide them in their own decisions about the provision of cultural and recreational opportunities and facilities in their community.

Before the moratorium on Wintario capital expenditures, this ministry asked all applicants for capital funds to provide information on the need, location and economic feasibility of their project. In some cases where this information was not available or the feasibility of the project was in doubt the ministry assisted municipalities with 50 per cent of the costs of a feasibility study to help provide the municipality with the information.

Studies therefore, are not necessarily a prerequisite for capital funding; rather the ministry, by providing assistance is encouraging communities to use planning as a tool in their own decision-making.

As the member is no doubt aware, the capital priority review which is currently under way is examining all capital funding issues with respect to the provision of cultural and recreational facilities. Future directions with respect to planning and capital funding will be determined by that review.

5. What are the names of the consultants who have done recreational studies for municipalities for which Wintario funds have been contributed and what was the final cost of each study?

Only one cultural and recreational master plan study has been completed as of this date under the program. At present we have not had final cost figures for any of these studies. However, the ministry does not expect any deviation from the approved cost figures given earlier.

Cultural and Recreational Master Plans:
Ajax—Consultant—DuToit and Associates
Aurora—Consultant—Rethink
Barrie—Consultant—Proctor and Redfern
Nepean—Consultant—Shann Urban and Associates
Oakville—Consultant—Proctor and Redfern
Stoney Creek—Consultant—Proctor and Redfern
Timmins—Consultant—Proctor and Redfern
Valley East—Consultant—Proctor and Redfern
Dymond—Consultant not yet chosen
Cambridge — In-house studies
Flamborough — Assistance for additional costs incurred.
Ameliasburg—Consultant—Belcon Engineering Limited

Feasibility Studies:
Huntsville—Consultant—Canada Swimming Pool Design Ass.
Cobourg—Consultant—Totten, Sims and Hubicki
Glamorgan—Consultant—Cambrian Planning Consultants
Galway/Cavendish—Consultant—Conestoga/Rovers
North Himsworth—Consultant—Land Design and Associates
Kirkland Lake—Consultant—Hoathwood Engineers
Kingston—Consultant—Sesquaig
Walkerton—Consultant—Marshall, Macklin, Monaghan and Ass.
Oakville—Consultant—Peter Stokes
Ansen, Hinden and Minden—Awaiting tender results
Thorold—Consultant—Cambrian Facilities Consultants
Woodstock—Consultant—Beckman and Ass.
Thunder Bay—Consultant—Balmer and Crapo
Caledon—Consultant—Hickling and Johnson
Shelbourne—Consultant—Awaiting bid proposal results
Halton Hills—Consultant—Bailey Consultants and Associates
Scarborough—Consultant—Johnson, Sustronk, Weinstein and Ass.
Douro—Consultant—Balmer and Crapo

6. How many applications are there pending from municipalities for funds for recreational studies? By what municipalities have these applications been made and for what amounts?

In addition to the 11 municipalities that have been given approval for the assistance in developing cultural and recreational master plans, there are 20 others which have indicated an interest in applying for funding. The amount of money that is being requested cannot be determined at this stage as the communities are still in the formulation stage of their application and are still developing terms of reference. It would be inappropriate to name these 20 municipalities as at present they have not been given approval to proceed with the tendering proposal process. The publication of the names of the municipalities would lead to the tendering/bid proposal process being upset and municipalities being

inundated with proposals from the private sector.

The grant program for feasibility studies funds agencies and organizations as well as municipalities. There are approximately 20 feasibility studies in the negotiation stage of which six are from municipalities.

7. Can a municipality qualify for capital funding by using one of its own recreational studies, done by its own staff, prior to the implementation of the policy on study requirements?

When a municipality applies for capital funding, under the Wintario capital grants program which is at present subject to a moratorium, it was asked for information that justified the need, location and fiscal viability of the facility.

Municipalities have provided the information in any one of three ways. Firstly, the information may be gathered without any study, if it is readily available in that community. Secondly, municipality staff may utilize existing studies or conduct an in-house study to provide the background information. Thirdly, they may have outside consultants to provide them with the necessary information, where existing staff cannot provide the information.

8. Will the ministry accept a study done by the municipality's recreation staff as the study required before capital funds can be applied for?

Studies are not necessarily a prerequisite for capital funding. However, municipalities have utilized existing studies completed by their recreation staff to provide information that supports their application for capital funds.

9. Does the ministry have some basic formulae which could be applied, as an alternative to a study, to municipalities applying for this type of Wintario capital funding?

There is no basic formulae which could be applied, although I have pointed out, it has not been necessary to complete a study to access funds from the capital funding program. If the municipality can support its application with information already available which justifies the need, location and operational viability of the project it would be eligible for consideration for capital funding without a requirement for a study.

10. Is there a policy whereby previous studies done on recreational needs of a municipality can be compiled and made available to that municipality when applying for Wintario capital funding, thereby eliminating the necessity for a new study and its corresponding costs?

There is no policy from the provincial government to insist that the municipalities must utilize existing studies rather than embark upon a new plan. Many studies become outdated in a short time and were completed without addressing major concerns that are now confronting municipalities. However, when staff of the ministry begin to negotiate and develop the terms of reference for community cultural and recreational master plans they insist that the study team of the municipality review existing studies to ensure that there is no duplication. When studies or parts of them are relevant to the questions being asked in that community, the terms of reference of that study will ensure that maximum use of existing studies will be made.

LOTTERY DISTRIBUTORS

385. Mr. G. Taylor: Will the Ministry of Culture and Recreation advise the House: (1) How many Wintario, Lottario and Provincial distributors are there whose territory includes the riding of Simcoe Centre and who are they? (2) Is Ray Bowes a distributor, or Ray Bowes and Associates Incorporated a distributor for the area which includes the riding of Simcoe Centre? (3) Is Ray Bowes and Associates Incorporated the sole distributor of provincial lottery programs for the riding of Simcoe Centre and if that individual or that company, is the sole distributor, what size territory does that distribution area cover? (4) If there are any other distributors, provide the names of same. (5) In terms of payment by the provincial lottery programs by way of salaries or commission or otherwise, what has the provincial lottery program paid to the distributor which includes the riding of Simcoe Centre? (6) In terms of payment by the provincial lottery programs by way of salaries or commission or otherwise, what is the average for all provincial lottery program distributors for areas similar in size to Simcoe Centre? (7) What are the regulations and criteria concerning the granting of distribution contracts for all provincial lottery programs and that of subdistributor? (8) Is there a review mechanism whereby on a regular basis the distributor's contract with the different lotteries is re-evaluated? (9) How many distributors or subagents are there in the area of the riding of Simcoe Centre? (10) What is the amount of payment made to the subdistributors by way of commission, override or other payments of any nature for each of the years for which one of the lotteries carried on by the provincial government was in operation? (11) Is there a review mechanism for the subdistributors' or subagents' contract for the

sale of lottery tickets for all provincial lottery programs? (12) What is the amount of override commission or partial commission to a distributor as a result of the sales of a subdistributor on any of the lotteries for the distributor's territory? (13) Can distributors or subdistributors carry on or participate in the sale of other lotteries as well as provincial lottery programs? (14) What are the criteria for the locating of Lottario machines? (15) Has there ever been any consideration given by the ministry to divide the areas into smaller units when a distributor arrives at a particular income or volume level of sales? (16) Will the Loto Canada operations be integrated with the other provincial lotteries? (17) If so, will there be an increase in the number of distributing contracts? (Tabled December 3, 1979.)

Hon. Mr. Baetz: Because of the volume of information requested, we require additional time for the preparation of the answer. The final answer will be ready on or about mid-March 1980.

BOROUGH OF YORK GRANTS

388. Mr. Grande: Will the minister responsible produce the following information regarding the municipality of the borough of York: (a) Background material with which the ministry has made the decision to grant the municipality $280,000 of assessment related grants; (b) Any and all grants the borough received directly in the years 1976-77-78-79-80? Would the ministry indicate for what specific purpose or purposes the funds were generated? (Tabled December 4, 1979.)

Hon. Mr. Wells: Since some of the grants information requested is not yet available, a complete answer is not possible at this time. The information should be available on or about mid-March 1980.

ROYAL ONTARIO MUSEUM

389. Mr. Grande: (1) Will the Ministry of Culture and Recreation table any or all the plans the ROM has made re: the employees at that institution as a result of the planned shutdown of the museum for 15 months? Will any of the part-time or full-time employees be laid off? If so, state in which categories, how many, and for what period of time. (2) Will the minister provide the following information concerning the ROM: Once the renovations and construction are completed there will be approximately over 50,000 more square feet of empty space. Will the ministry provide plans for the utilisation of that space, particularly in the Terrace Gallery and also provide a timetable as to when the space will be put to use and to what use? (Tabled December 4, 1979.)

Hon. Mr. Baetz: 1. Some part-time and full-time security officers will be laid off, for lack of work appropriate to their skills, during periods of gallery closings. The details of how many and for how long are not known at this time by museum management. All such staff will be on a call-back list. (Notices of such layoffs have gone out to eight full-time and two part-time security officers, for a reduction of work of 368 hours per week.)

2. The new museum will have 219,000 square feet of public gallery space. The ROM's planning document Mankind Discovering (August 1978) calls for 68,000 square feet of gallery exhibits to be in place by the time of the museum's reopening in 1982. The museum still expects to at least meet this goal. The remaining gallery areas (151,000 square feet) will be filled with new and refurbished exhibits as rapidly after that date as staff and financial resources allow.

HALF-BACK PROGRAM

390. Mr. Grande: Will the Ministry of Culture and Recreation table any report that is available at this time regarding the success or failure of the Half-Back Program as it relates to movies and records? If the final report is not yet available, will the ministry make the commitment to table it as soon as possible? (Tabled December 4, 1979.)

Hon. Mr. Baetz: Because of the volume of information requested, we require additional time for the preparation of the answer. The final answer will be ready on or about December 21.

ABSENCE OF CROWN ATTORNEY

394. Mr. Warner: Will the Attorney General advise the House why on the morning of November 30, 1979 there was no crown attorney present in the Provincial Court, Newmarket, thus inconveniencing the court, the judge, at least one other lawyer and several witnesses? Why was there not a substitute for the crown attorney when he was not able to attend due to illness to appear in court? When will contingency plans be developed and what will those contingency plans be? (Tabled December 4, 1979.)

Hon. Mr. McMurtry: On the morning of November 30, 1979, at 7 a.m., the assistant

crown attorney assigned to the Newmarket court notified the deputy crown attorney that due to sickness, he would not be able to attend in court that day.

Because several assistant crown attorneys were committed on continuing cases, including an inquest, and others had already been assigned to the court at 1000 Finch Avenue West, it was not possible to find a replacement for the Newmarket court at such short notice.

A part-time assistant crown attorney is being appointed for the area and consideration is being given to further part-time appointments for emergency use in the future.

RESPONSE TO PETITION

WASTE SOLVENTS STORAGE

The following response is provided to the petition presented to the Legislative Assembly regarding the proposal by Frontenac Chemical Waste Services Limited, to operate a transfer station on property located at Lincoln and King Streets in the city of Welland, Ontario.

In a recent public announcement, the company has stated that they will not be proceeding with the project. In the light of the company's decision not to proceed with the project, the ministry has requested that they return the certificate issued to them under the Environmental Protection Act.

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No. 140

Legislature of Ontario Debates

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Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8:03 p.m.

CONCURRENCE IN SUPPLY

MINISTRY OF COLLEGES AND UNIVERSITIES

(concluded)

Mr. Warner: I have two items, Mr. Speaker. I put in the plea again, as I have on several occasions, regarding the overcrowded library facilities at Scarborough College. The minister is painfully aware of the situation there. Her only answer to this point has been that the people of the community should continue to raise funds to pay for the books. Somehow, providing library space is not a responsibility of the government. The students have undertaken to carry out her responsibilities as best they can. Of course, the students who attend that college do not have the resources the government has, but none the less they have done their best.

The minister realizes those facilities are not adequate. They are not adequate now and, as expansion takes place at Scarborough College, they will be even less adequate. I make my plea again for the expanded library facilities, knowing full well the government doesn't intend to do anything.

Second, I understand—and I would appreciate being corrected if I'm wrong—that the facilities for the science laboratory at Brock University remain in an unsuitable condition. I think it was 1976 when I visited there to see the faculty, and I saw the students trying to exist in a building that should have been condemned. It was an old converted dairy and it was not suitable. It was overcrowded. The building was on the verge of disintegrating, it appeared to me. The university had pressed very hard to get the needed funds, but at that time there was a capital freeze on.

They weren't allowed to renovate it because the building wasn't worthy of renovation. The municipal inspection officials indicated they would not allow a renovation because it was too dangerous a situation. They required a new building. I understand that condition still exists.

Shocking as it may be, apparently in three years the government has done nothing. Absolutely nothing. I don't understand it. I don't understand how the government could tolerate that kind of inadequate facility, but it apparently does. I don't know how long it will take. Are they waiting for a disaster? Are they waiting for the building to collapse? Believe me, if the government waits long enough, it will collapse. And the government will do nothing.

Brock has been here; the president has been here. They came up and made a film. They have done everything they can think of to prod the conscience of the government about this building.

I have visited every college and university in this province, every single one. I have been to every campus. Nowhere have I ever seen a more dilapidated facility than the one at Brock. Yet this government adamantly refuses to do anything about it. I just don't understand it. How can the government accept that?

What that condition at Brock speaks to is the general attitude of this government towards colleges and universities. It talks very nicely about what a great system we have, except when it is put to the test, and part of the test is that facility at Brock. The other part is research and development. If this government were committed to a college and university system, it would ensure that R and D for our industry was done in Ontario in those colleges and universities so that we were guaranteed objective and independent research and Canadian development for our industries.

But the government makes no such commitment. In fact, what we have now in 1979 is a worse situation than we had in 1975 with respect to research and development. We have less of a commitment today than we had four years ago. Research and development is disappearing, and yet the colleges and universities obviously are the place where it should be done, instead of leaving it to private industry or to American companies to do as they see fit. I'm afraid it's a very sad commentary on this government and its commitment to a Canadian economy. There is no spirit of independence where the economy is concerned.

Mr. Wildman: Mr. Speaker, in this debate I wish to raise a very serious concern, and I hope to get some kind of response from the minister as to what commitment, if any, she is making to the continuance and not only the survival, but also the expansion, of Algoma University College in Sault Ste. Marie. I understand representatives of the administration and of the faculty were to meet with the ministry today to discuss the future of the college. The announcement was made last week that five staff members would be laid off at the end of the year. Those individual teaching staff members designated for nonrenewal of their contracts have until December 29, to appeal that, so there may be some further discussion, but as of now there isn't any indication individual members of that group will have grounds for appeal.

Both the minister, and I, and other members of the House, realize one of the problems we have in assuring the survival of Algoma University College as a separate institution to serve the post-secondary education needs of the community of Sault Ste. Marie and of Algoma district is in terms of enrolment. The enrolment has not been what was hoped for, and there are a number of reasons for that. Most Ontario universities have experienced drops in enrolment over the last couple of years. Since Algoma University College is one of the smallest of all Ontario institutions, the weaknesses and problems in the system are most likely to show at that institution first.

It is just the tip of the iceberg. What we are seeing at Algoma University College this year, and have seen over the last couple of years, in terms of problems of enrolment and financing is going to show up in other universities in the not-too-distant future unless something is done, unless there is a change by the ministry in how it views post-secondary education in Ontario and the provincial commitment to funding institutions that may not be able to maintain the kind of enrolment anticipated when there was an expansion of the system in the late 1950s and 1960s.

I would like to know what, if anything, the ministry is willing to do in terms of giving Algoma University College greater flexibility in courses it can provide for the community. Unless it can do that, unless it has more flexibility in its agreement with Laurentian, then it is going to have more difficult times in attracting and keeping students. If it can't get more students, then it is going to have to cut even more staff, which will make it even more difficult to provide the kinds of courses it is now giving, much less expanding and giving greater variety of courses.

We have a snowball effect where we will have fewer students coming, so we will have to cut more staff which means less variety of courses and so on until we see the final demise of the university in Sault Ste. Marie. If it doesn't survive, if it doesn't make it now, we are never going to make it in terms of a post-secondary educational institution in the Sault. There is a need, if the college can provide the kinds of courses students want. [8:15]

Because of the demand for things like business and science courses which the university college cannot provide, students from Sault Ste. Marie and the Algoma district, who might choose courses in the college in their own community, are going elsewhere—some are going to other universities in northern Ontario, but most of them are going to southern Ontario or in significant numbers to Lake Superior State College in Sault Ste. Marie, Michigan. The minister knows that particular institution has done a great deal in trying to promote itself and to attract Canadian students. They have been given particular flexibility by the state to make it very attractive, in terms of tuition fees, for Canadian students to attend Lake Superior State, and that institution is doing very well and expanding.

There have been a number of suggestions for the future of Algoma University College involving agreements of some sort, even amalgamation with Lake Superior State, or some sort of University of Northern Ontario which works in all of the post-secondary educational institutions in the north, right from Nipissing College all the way to the small college in Hearst, and involving both the Lakehead University and Laurentian University, in providing the kinds of courses across the north which would attract students and make it less necessary for them to incur the tremendous expense and separation from their families of travelling to universities in southern Ontario.

Before we pass concurrence in these estimates, I'd appreciate it if the minister would give us some idea of what transpired at the meeting today with the college administration and faculty representatives. Would she give us some idea of what kind of flexibility the ministry is willing to provide to allow Algoma University College to give us a more varied program and to enable it to attract more students so that we can have a long-term development of a post-secondary educational institution like the college in Sault Ste. Marie and the Algoma district?

Mr. Cooke: Mr. Speaker, I will be very brief. After hearing the member for Sudbury (Mr. Germa) and the member for Algoma (Mr. Wildman) talk about two of the institutions in the north, I compared that to the opening statement of the goals and objectives presented to the justice committee by the Minister of Education (Miss Stephenson) just last week.

She stated in her opening statement that it's one of the goals of this ministry—indeed, one of the goals that this ministry has accomplished—that we have equal opportunity and equal access to post-secondary education in this province. She was proud to make that statement in her goals and objectives.

I would say that, by starving Laurentian University and by starving Algoma University College, she is creating more of an inequity than already existed between the north and the south, and between working-class students and students from rich and professional families. Those students have never been equally represented in our post-secondary institutions. This government has demonstrated, both in the estimates that just took place and in the Bill 19 hearings, that it has no idea and no plans and no strategy on how to accomplish equal accessibility for all students in this province.

A good example is the native studies program at Trent University for which that university has been attempting to get funding from this government and from the former Liberal federal government in Ottawa. Both of them keep passing the buck so that program, while it was in place last year, was going to be going out of operation because of a lack of funding. It may not have gone out of operation yet, but they don't have continuing funding and they don't have a long-term future unless one of the governments commits itself to it. That program was an excellent example—one of the few examples—of how a university was working to get certain types of students who are not adequately represented in our institutions into the university system.

The minister talked a while ago and she said the university students from Sudbury do not patronize Laurentian; they go to Windsor, to the University of Toronto, or to various other institutions. The fact of the matter is that the minister, as she usually does, completely forgot about part-time students, who in large measure are adult, working-class students who are attempting to upgrade themselves. If Laurentian University or Algoma University College went out of business, they could not travel on a nightly basis to the University of Toronto. I think the minister understands that. But she certainly doesn't indicate any commitment at all to part-time studies in this province as a way of creating equal acress for adult students.

I am still waiting for a response from the minister to the P. S. Ross report. That was promised in November and, as the minister has said on several occasions, she has great difficulty meeting deadlines. We in the Legislature all know that. I assume if she doesn't make a statement this week—and I hope she will indicate tonight whether she will be—that she will be making another very important statement on universities and colleges when the Legislature is not sitting, which is very typical of this minister. It doesn't give the opposition parties the opportunity to respond immediately in question period and to question the wisdom or lack of wisdom of government policy decisions.

Another thing is Ryerson. We have raised the matter in the House during question period; we have raised it during the estimates that just took place. I hope the minister will also indicate tonight that she will be able to respond to the Ryerson problem before the House rises. We have been waiting for a couple of years now. She has used the excuse that she couldn't respond because she is a new minister and the problem only came to her attention at the beginning of this year. We know the former minister was dealing with it, but this government does not seem to be able to react to even a relatively simple, straightforward problem. Ryerson has presented its case, yet this government does not respond.

Finally, I want the minister to state clearly tonight how she reacts to the advertising programs some of the universities are putting on. I believe the type of funding this government provides and the method of distributing funding result in a waste of money. Look at the University of Guelph advertising program, where they use jingles and disco music and radio ads to sell their university. If the minister created a funding program that recognized basic needs and had some degree of flexibility and reacted to enrolment, then she could take out some of that competition and have universities work cooperatively and design their programs to meet the needs of society rather than just trying to attract bodies.

I hope the minister will respond. I am not particularly hopeful she will. She didn't do so during the estimates.

Hon. Miss Stephenson: I did so. You weren't there. You weren't there all the time.

Mr. Cooke: The minister can say she responded.

Hon. Mr. Norton: You don't like competition anywhere, any time, and you know it. That's a matter of principle with you.

Mr. Cooke: At least we have some principles over here. That is more than I can say for the minister and the government.

The only way the minister responded during estimates was to give a 160-page opening statement on Education and a 101-page opening statement on Colleges and Universities. The only reason she gave that kind of an opening statement was that she hadn't familiarized herself with the ministry yet; so her bureaucrats write her this big statement, and she knows what is going on with her ministry, because she hasn't had a chance to read anything.

Hon. Miss Stephenson: Mr. Speaker, the member for Kitchener-Wilmot (Mr. Sweeney) made a statement about reports from the Council of Regents regarding the information that was made available. The reports I receive on recommendations from the Council of Regents are made public, and they are made public in exactly the same form that I receive them. There are, to my knowledge at this point, few other studies that have been done which have not been reported, but I shall certainly ensure, when a study is done that relates to the community colleges, that it is made public as soon as we have had an opportunity to look at it.

The other area that has been raised by two or three people is the area of the polytechnics. We have an interesting situation in Ontario where, as the member for Kitchener-Wilmot suggests, there are certain aspects of the polytechnical educational field which are met by certain of our universities, certain aspects which are met by our community colleges, and we have in Ryerson an institution which combines many of those aspects into one insitiution in a rather interesting way.

Ryerson has been compared to polytechnical institutions in other jurisdictions as part of an argument to modify the funding process for Ryerson. On careful examination one would note that indeed Ryerson does not fit the example of a polytechnical institution, either in Great Britain or in the United States. I think we have to consider Ryerson to be a relatively unique institution; not exactly an international polytechnic but an Ontario polytechnical institution that really can't be compared very readily with many other institutions.

As a result of the request made by Ryerson, as the honourable members know, the Ontario Council on University Affairs has been examining a good deal of information, supplied to the council through me, for examination of the funding mechanism for Ryerson. I'm happy that OCUA has completed its deliberations in this area and has provided me with a report on which I shall be reporting, publicly and to the House, probably by the end of this week, regarding modifications to Ryerson's funding. But in addition, Ryerson's request for additional accommodation for its architectural school has in fact been met within the last several months, and I think that will solve some of the space problems which Ryerson seems to be facing.

Laurentian University was raised by the member for Sudbury East—Walter by name, the goatkeeper.

Mr Martel: They are your goats, you funded them.

Hon. Miss Stephenson: When the honourable member suggests that the provincial government funded, they were funded on the basis that we thought several rather senior members of that steering committee would have the capacity to ensure that the investment was made appropriately. Perhaps it was, but it was an interesting little development which occurred. The only question I'm asking at the moment is where are the goats? I'm not sure whether anybody has been able to find them at this point.

Mr. Martel: In Minaki; we sent them all up to Minaki.

Hon. Miss Stephenson: I think Laurentian University, Algoma, College de Hearst and Nipissing, plus Lakehead, are very important institutions for the province of Ontario. One of the difficulties that has occurred in the past is that we have tended to look at the development of northern universities in the same light as we would universities for southern Ontario.

I'm not at all sure that that should be done. I'm not at all sure that the traditional structure, the traditional makeup of a university which relates to a fairly heavily populated area, is entirely appropriate for northern Ontario. I have asked on several occasion whether we should examine, or whether the university system itself, particularly the institutions themselves, might not examine their structure and roles to ensure their increasing relevance to the area of the province they are designed to serve.

Because of the concern about the need for these institutions in a post-secondary

sense in northern Ontario, very specific and deliberate action has been taken to provide funding which is a good deal more significant for the northern universities, particularly for Laurentian and Algoma and College de Hearst. Indeed although Algoma has had a fairly significant decline in enrolment, as have many other institutions—however Algoma's decline between 1972 and 1978 was something of the order of 27 per cent—even so grants to Algoma increased by 68 per cent over the same period of time.

I think that really demonstrates that the provincial government has had very real concern for the continuing existence of those universities.

But existence and viability may be two different things, and the continuing viability of those institutions can be met only if the people within that community have a feeling of security about the quality of the institution and the capability of that institution to meet their needs.

[8:30]

For example, when I looked at the members of this year's graduating classes from Sault Ste. Marie who went to other universities to take courses they could have taken at Algoma, I found that 216 of them came to southern universities at a time when they could have been taking courses at Algoma University College which would have filled the needs as they perceived them, apparently, at least in terms of the choices they made. Given that situation one has just a little bit of concern whether that viability can continue.

Mr. Warner: You're attacking the college.

Hon. Miss Stephenson: There must be a commitment on the part of the local community and the students, and there must be an examination by that institution of its role related to its community and to its region in order to ensure it is meeting the needs of that region appropriately.

The suggestion was raised, as well, about part-time students. There is no doubt in my mind this is an area universities are now beginning to recognize as one of the most important functions they serve. It has taken many years for this realization to dawn, but the significant decrease in numbers of students at the immediate post-secondary level has borne the message home rather more vigorously than it has ever been borne before.

It is particularly important that those universities away from very large urban areas have the capability to provide part-time courses in order to meet the needs of local people. They must have, however, a base on which to provide that part-time capability, and it is in that light I have asked both Laurentian and Algoma, as well as others, to examine their roles and their structures and to come up with modifications which would ensure they continue to be vigorous, viable institutions.

There was a question raised about Scarborough College library. If the honourable member had bothered to come to the estimates, he would have found that the ministry has made a proposal to the University of Toronto, which the university is considering, in terms of improving the library facilities at Scarborough. I am awaiting response to that suggestion.

Mr. Martel: You never told us.

Hon. Miss Stephenson: I didn't tell members the details of it because it is a proposal made to the university. Since it is the university's decision about the priority list it establishes for capital construction, we really must abide by the decision it makes.

The science capacity at Brock University is another matter under consideration at this point. Modifications to a plan which was submitted are in the process of being done for resubmission to the ministry.

The capacity of universities to do research is recognized in the basic funding mechanism established within Ontario. One third of the funding is provided for the purpose of basic research at the universities. That one third is specifically directed, one would hope, towards research capacity at the universities; but the universities are autonomous and they do make the decisions about the ways they spend the money made available to them.

Accessibility to university is a matter on which the members of the social policy committee spent a good deal of time. It is a matter we have discussed at some length with the Ontario Federation of Students. At present the federation and the ministry staff are attempting to develop a protocol which would allow us to do the kind of research study the federation feels would be appropriate in determining that our accessibility rate is not in any way negated within Ontario.

I would be delighted to tell the honourable members who were not in the estimates committee, however, that the constant cry by the members of the third party that we should eliminate all university fees as a method of increasing accessibility is not borne out by statistics which the members for Kitchener-Wilmot and Windsor-Riverside have looked at—

Mr. Wildman: Those statistics were developed for your own purposes.

Hon. Miss Stephenson: Mr. Speaker, I would like the honourable member to withdraw that remark. Those statistics were drawn from an international journal of great repute. They were not in any way modified.

What these statistics demonstrate is that the participation rate of students from the lower socio-economic stratum of society in Great Britain and Sweden is less than it is in Ontario where there are fees. In Sweden there are no fees and in Great Britain there are very minimal fees.

Accessibility to universities is certainly one of the goals and objectives of this government. We are attempting, through the Ontario Student Assistance Program, to ensure that that accessibility, particularly for students from the lower income groups, will be maintained.

I never cease to be amazed at the concept of the members of the third party that they have some monopoly on concern for the people of this province. I would like them to be aware of the fact that members of my caucus and the members of this government are at least as concerned, if not more concerned because we have no ideological axe to grind in proposing that we increase the accessibility and provide support for our universities, it is simply that we know that those institutions are vital to the future of this province.

Resolution concurred in.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Mr. Blundy: Mr. Speaker, I'm pleased to speak in this concurrence debate. A great deal of what I will be saying has already been covered earlier in these estimates in a more full and detailed way, but I would like to bring up the one thing I am hearing more frequently than anything else these days, and that is the insufficient amount of family benefits.

The level of family benefits is proving to be absolutely inadequate in today's inflated society. I don't know how these people are managing. If the amount was a justified amount last year, it certainly must be totally inadequate for their needs today. They must be living very close to the poverty line. I believe this is an area where the ministry should be looking at some increase for these people at this time.

Another matter that has been brought to my attention is that a number of single mothers on mothers' allowance apparently are often not paying their rent. I have been approached by a landlord in the Sarnia-Lambton area who tells me that about 70 landlords have tenants of this type in their apartment buildings. I have a meeting set up with these people to hear their problems during the Christmas recess.

As I understand it, when a person stops paying her rent the Ministry of Community and Social Services deducts that amount or holds back the rental portion of her allowance, but the landlord gets nothing. If he has to go ahead and take action to have the person evicted, this is a very costly matter, and of course is very poor public relations for him.

I believe there should be some way in which that portion of their income which is attributable to rent, which is usually not as high as the actual rent is anyway, could be in some way paid to the landlord.

The next problem I am hearing about is the municipal welfare budget. A number of municipal welfare departments are indicating they are overspent, or will be substantially overspent by the end of the year. I believe this is the case in my own particular municipality.

It is difficult for these people. The municipal council has budgeted and now is finding itself, in some cases with substantial deficits because of the proportion of the welfare budget having to be paid by the municipalities.

The next item I would like to speak on is children's services in Ontario Over the past two years children's services have been seriously affected by the reduction in budgets caused by the ministry. The ministry says it hasn't reduced the budgets and that they actually increased them. However, the increases are nowhere sufficient to meet the increased costs as well as, and this is the important part, the increased demands for their services.

Another problem I have seen in this is the closing of beds in institutions, such as correctional schools, training schools and so forth. What happens when these beds are closed? These children come back into the community. Some of them to live with their parents, some to live with foster parents and so forth, but they go into the school system and there they are proving to be a problem and a disruption in the classes and to other people. The minister must have known this would happen, yet there doesn't seem to be any provision made for looking after this type of child coming back to live in the community and having to go through the school system.

We have seen many children with emotional problems who have had to wait months to get

into an institution where those emotional problems could be assessed and hopefully corrected.

These are some of the things we have seen happen in our children's services in Ontario.

I would also point out that this year has been somewhat of a horror story for children's aid societies. This is occurring throughout the province. Of the 51 children's aid societies I believe about 30 are asking for a review of their budgets, have had a review or have a review under way. About a dozen municipalities have asked for a review from another viewpoint, of course.

Obviously, the handling of the children's aid societies in Ontario over this past year has really been a bad scene. It is no wonder that we are seeing the problems arising in many CASs in Ontario. I'm not just speaking about Algoma and the Niagara group; every children's aid society we have had the opportunity to speak to has found it has had less money to operate with, greater demand for its services, increased work load because of child abuse legislation and so forth.

The minister will say, and he's correct of course, that there have been the increases which he has pointed out. But obviously these increases have not been sufficient to handle the work load that is now apparent in the various children's aid societies in Ontario.

What is going to happen next year? I hate to think about it, because all the problems and difficulties with which these people have been faced in 1979 are going to be there in 1980, and probably in greater amounts with the continuing breakdown of the family unit within the province, with the number of single-parent families, and of course with the increasing unemployment and inflation in the province. I would say the minister is going to have to look at this very closely. Hopefully there will be a more supportive assistance in the provincial contribution to the children's aid societies of Ontario.

[8:45]

The final thing I want to mention is the support for the elderly in Ontario. I was reading last week's papers this weekend and saw an article which stated that the North Lambton Rest Home was having great difficulty. They have a deficit of $60,000 according to the administrator, and if this isn't looked at and attended to, if they do not receive money from the ministry to assist them, they are going to have to cut back very substantially in services.

This home, which is not in my riding but in my neighbouring riding, is a home for aged, handicapped and seriously impaired people. The Twilight Haven Home in Petrolia, partly used by Sarnia, is having the same problem. This is all at a time when there are more and more elderly in our area and when there are more and more cutbacks. There are no more nursing home beds in our area of late, and there have been the cutbacks in hospitals.

This is really a problem that has to be addressed. The minister will say we have to cut back and we have to do this and so forth; but we do have some responsibility to the elderly and the chronically ill. These are just two outstanding instances.

I would like to say a few words about the recent series in the Toronto Star on the single elderly woman living alone in Toronto in what appears to be almost abject poverty. The minister will say that was just a lot of journalism drawing on sympathetic readers, but there are a lot of people living like that and it can't be discounted.

The minister must know, even better than I, the problems of single elderly people living in the community. In my own community I am sure there are many.

I recently had a lady who was living in a basement on Penrose Street in Sarnia. There was a sink in the basement, but there was no bath, no toilet—nothing. She had to walk to the second floor. This is living in a basement. It had brick walls, just like an old brick basement.

Finally, I recently got her into a senior citizen's apartment. My wife and I dropped around to see her and she ran to the door and threw her arms around both of us. My wife said, "My gosh, what is this?" The woman said she was almost living a new life again.

There is a case in my own riding where a woman was living in conditions none of us would condone. This was highlighted in the recent series in the Toronto Star. I know the minister will say it was exaggerated and it was presented as worse than it is; but it is obviously there and it is a problem that will have to be addressed by this government.

With those few comments, I hope the minister will be able to address some of those matters, but particularly that his ministry will be making plans to alleviate these problems we see in our communities today.

Mr. McClellan: When we started the concurrence debate earlier in the week, and I am not sure whether it was you, Mr. Deputy Speaker, or Mr. Speaker himself, one of you incorrectly introduced the Minister of Consumer and Commercial Relations as the Minister of Community and Social Services. The incumbent Minister of Community and

Social Services concurred with the designation and submitted to me his letter of resignation. I just want to assure the minister that I don't intend to accept his letter of resignation. I think it is only appropriate that he continue to stew in the problems he himself has created with his so-called reforms over the past number of years. I can't think of a more appropriate punishment for him than having to remain in his present position to watch the gradual unravelling of his rhetorical promises and unfulfilled commitments which have been coming forth since 1976, but which have yet to be achieved or implemented.

I don't intend to cover ground that was covered during the estimates debates, but there are some, if you will, cleanup items I would like some response to, at least to let the minister know I don't intend to allow these matters we raised in estimates to vanish into the air. We are still enormously concerned.

The first and foremost of these has to be the disposition of the case illustrations of disturbed children who have been unable to get treatment, whose plight was documented in the report of the five children's aid societies from the central Ontario region. In late October, I asked the minister to give his personal commitment to treatment for each and every one of the children whose plight had been identified. The cases were anonymous, but they were real cases; they were real children who had been denied the appropriate treatment. I asked the minister to indicate it to us as quickly as a treatment program had been found for each and every one of those children, and I still haven't had word back from the ministry as to whether that has been done. I would like some indication tonight from the ministry as to what progress has been made in meeting the treatment needs of those children whose situations were identified in the report.

Secondly, of course, we want a progress report with respect to the problems that were identified in the five society reports. I remind you, Mr. Speaker, one of the most pressing problems was simply the fact that this ministry, for reasons known only to itself, decided to close some 150 residential treatment beds in the central region at a time when it was also closing training schools. It had not put into place alternative points of treatment to meet the needs of children who were no longer being directed to training schools and, in fact, it reduced the availability of residential treatment beds in the central region so that it created a worse problem than existed before its so-called reforms were initiated.

The minister continues to express the most benign kind of optimism about the direction he is taking and about the success of his reforms, but it is an optimism that seems to be peculiar to him. It is not an optimism shared by people who are trying to provide service, whether they are in the children's aid society or in the network of children's mental health centres or in the juvenile correction system or, indeed, in any part of the social service delivery system. There is no sense of optimism. There is no sense of creative reform in this province in children's services. There is a sense of great despair. There is a sense of profound apprehension. There is a sense that this ministry is incapable of fulfilling its promises and incapable of implementing reform. The priority is not reform; the priority is cutbacks.

I use the word "cutback" in the sense that the minister is squeezing the blood out of the treatment system by holding budgets below the level of inflation. He can play nice little word games, saying a five per cent increase isn't a cutback. It is a cutback when inflation is at nine per cent; it is a cutback in the purchasing power of the social service dollar.

Why doesn't he just say that his objective is a cutback? His objective is to constrain the purchasing power of the social service delivery system, to hold it below the level of inflation and to erode its purchasing power; because that is what he is doing and that is what he has done. There is no nice way of describing it. He likes the word constraint, he likes all kinds of words. He doesn't like the word cutback, but the word is cutback.

Hon. Miss Stephenson: The word I like best is the one you don't say.

Mr. McClellan: The word is cutback, and everybody who is struggling with the needs of disturbed children understands what he is doing.

I have another piece of unfinished business from the estimates. The minister has indicated he intends to redirect money out of residential treatment beds and put it into something else. We don't know what the something else is, because that has never been clearly defined. He uses the word prevention. Again it sounds nice, but we don't know what he is talking about. More to the point, we don't know where he intends to extract something in the order of a total of $5.5 million.

My notes from the estimates debate indicate that the minister intended, and he can

correct me if I have misunderstood, but he had intended to take $2.2 million out of children's mental health centres and redirect the money into other parts of the service program, presumably into what he calls preventive programs.

I had asked the minister which programs and how many beds would be affected by that $2.2 million extraction. I am still waiting for that information. I suspect he doesn't know; I suspect he still doesn't know.

That is not the only redirection this minister is talking about. There is also a proposal for a $3.3 million contraction. The minister doesn't like to use the word "cutback." I guess one of the buzzwords in the ministry is "contraction." It's not a cutback, it's a contraction or a redirection, or a constraint; it's anything but a cutback. At any rate I will use the minister's cute phrase for the $3.3 million contraction for training schools in schedule one facilities.

I asked for a breakdown. I asked where that money would be coming from and which programs would be contracted. I asked particularly on schedule one programs which programs for the mentally retarded are going to be contracted under this proposal to redirect $3.3 million? I haven't had an answer on that, so I want to ask again for detailed, specific answers on which programs will be affected when he takes money from residential institutional programs and puts it into something else. I want to know where he is taking it. First of all, I want to know how many people are affected—and I want also to know who sent me this note.

Hon. Mr. Norton: Did they ask you to contract?

Mr. McClellan: You might say that. At any rate, I will accept the spirit of the note, accept its direction and move on to one other topic; but I expect the minister's staff to go through Hansard and to respond to critics' questions when they ask for specific pieces of information, particularly around issues that are so important as the question of his so-called contractions.

I won't dwell on things that were covered during the estimates. Let me just make an allusion to the latest publication of the National Council of Welfare, entitled, In the Best Interests of the Child. I hope the minister has read it; I suspect that he hasn't.

Hon. Mr. Norton: You are very suspicious, aren't you?

Mr. McClellan: Yes, I am. I am almost paranoid. I am probably paranoid, I concede it. After four years as social service critic, I am paranoid.

[9:00]

I don't think I have read a more succinct description of the fundamental flaw in our child-care delivery system than is contained on page 32 of the National Council of Welfare's most recent publication. Let me just read a couple of sentences:

"There is a terrible illogic in the way our society supports its children in need. If their parents are unable to work, or can only get a job that pays an inadequate wage, our income security system offers little economic security; yet if the family situation deteriorates to the point where the children must be placed in substitute care, the state must pay far more in the long run than what it would cost to ensure a sufficient income and the necessary preventative social services in the first place.

"The cost differences are startling. In 1979, an Ontario single parent mother and one child together received $4,860 from provincial social assistance. However, if that same child lived in a foster home, it cost the Toronto Children's Aid Society $6,877, $2,017 more than the family's social assistance income. If he or she lived in a group home, the cost would be on average $12,866, two and half times what they would receive on social assistance."

Where is the logic in that? Where is the sense in that? The report talks about the fact that much of the pressure for child-care services and for child welfare services comes from the basic reality of poverty, family poverty and child poverty in this province, and they suggest:

"If income programs were more effective in dealing with income problems, much of the pressure on the child welfare system would be relieved. Instead of a beleaguered system reserved largely for kids from low-income homes, children's social services could become a comprehensive first-class system of support available to all Canadian families."

I hope the minister will look at it, and I hope he will take its central thesis seriously. We talk about children's services, and most of the time what we are talking about is poverty and the effects of poverty, and we try to pretend that we are not. We try to pretend you can patch up families that are stressed and then broken by poverty through a patchwork of institutional or custodial services, and you can't.

You can only deal with poverty on the basis of justice and equity, on the basis of adequate income security programs, on the basis of governments committed to full employment programs and equal opportunity

programs for the employment of disadvantaged groups. This is so far from where this government is that it is simply a Utopian vision even to talk about it.

The final matter I want to talk to remains, for me, this government's single most outstanding failure. That has to do with the provision of day-care services in this province. We know something of the need for day care from the Social Planning Council of Metropolitan Toronto Project Child Care study.

There are something in the order of 54,000 licensed day-care spaces in all of Ontario. We know from the social planning council's study that in Metropolitan Toronto alone there are 100,000 pre-school children whose parents work, whether they are single parent families or families where both parents work. The number of children who require child care and who are in unsupervised substitute child care, that is to say they are not in licensed day care but group day care or private-home day care, is 100,000 children under the age of seven. This ministry and this government cannot tell us how many pre-school children there are in the province as a whole who require some form of child care because parents are in the work place. They simply don't know, that basic research has never been done. We can try to extrapolate from the Metro Toronto figures but I won't even attempt that. I don't have the capacity to do that. The need in comparison with the number of spaces is mind boggling.

The ministry continues to pretend that somehow their day-care policies approach adequacy and have some tangential relationship with reality. At a time when 52 per cent of women with children are in the work force—this government clings to the obsolete notion that day care is a welfare service which should be provided only for disadvantaged segments of the population. That is absolute folly.

I want to make a couple of suggestions to the government, because they are, at long last, inching towards a day-care policy. We remain one of the last countries in the western industrial world to develop a rational day-care policy. Our policy is still based, as I said, on an obsolete notion that day care is some kind of welfare service which should be provided for needy and disadvantaged people and not as a service that ought to be generally available to provide for the child-care needs of children whose parents have work responsibility.

I'm never quite sure what this minister's attitude is towards day care. I listened to him very carefully at the family policy conference earlier this fall and he spoke at length about the "me" generation. I thought he seemed to be saying that women with children should stay home. I thought that message was rather diffusely coming through, in an oblique way.

Hon. Mr. Norton: I thought he would use the illustration that I thought they ought to be bare foot and in the kitchen.

Mr. McClellan: No, I don't know what the minister really thinks or feels, and I may have been inaccurate; if I have been, I would welcome having the minister put me in my place and chastise me. I thought he was saying, in a roundabout way, that the "me" generation notion somehow had an application to women who were trying to combine a career with raising children.

I just point out that if all of the women from two-income families who are currently in the labour force were to leave the labour force, the number of families in this province whose income is below the poverty line would increase by 65 per cent.

Mr. Wildman: The economy would collapse.

Mr. McClellan: The economy would be seriously disadvantaged and the number of people in poverty would increase astronomically. The reality in our society is that two-income wage earners are a necessity for many families to avoid a sub-poverty income.

The minister continues to pretend that somehow we live in a different world in which day care is not an essential social service available to all families who need it; he's dead wrong. The minister's continued refusal to enter the latter part of the 20th century and to acknowledge reality is doing damage.

Again we have learned from the social planning council's Project Child Care study of the inadequacy of a substantial proportion of unsupervised substitute child care arrangements in this province. We know there are real problems. We know that in too many private, unregulated homes substitute day care consists of child care by the television set, of unnutritional meals; of day care provided by those who have their own problems, of day care provided by those who are themselves ill; of situations where children are not receiving any kind of stimulation at all, where their developmental needs are not even being acknowledged and where children are not getting outside of the house to play.

Those are all matters of empirical observation. It doesn't serve anybody for the minister to get up again and make his rhetorical

speech about freedom of choice. That is precisely what we are talking about. We are talking about the right of parents to have the choice of quality day care, either group day care or private-home day care at a price they can afford; not at $10 a day per child but on the basis of quality, affordability and universal access, and I stress the word "access."

Day care should be available as a matter of right to all who need it in this province. There should be a sufficient range of options and sufficient quantity of day care that parents have a real choice.

That doesn't exist now. For all but low-income parents the subsidy is unavailable because the subsidy is available on a welfare basis under the Canada Assistance Plan. One must meet the criteria, one must go to the welfare office and fill out the means test. The minister has got to move day care out of the welfare context and put it into an early-childhood education perspective where it will be possible to use vacant space in our schools and to develop group day care on an adequate basis so there will be enough day care in this province that every family that needs it will have a choice of quality day care, affordable and accessible.

Let me suggest once again that the minister adopt the recommendation of the Ontario Status of Women Council and establish an interministerial committee to look at the possibility of expanding day care through the use of vacant school space. While he is doing that, let me suggest that he look at a reform of the present subsidy provision. If that means Ontario taking some initiative for a change, for once in its history, so be it. Let the government give some leadership, just this once on this most important issue, and develop a way of providing subsidy that doesn't exclude all but the very poor, which will include low- and middle-income families in Ontario as well as those who are impoverished.

Let me suggest to the minister that he go back to his policy of 1974-75 and put sufficient funds into the day-care program to achieve a real expansion of day-care spaces instead of this 100, 200 or 300 spaces a year.

Finally, let me suggest that the minister look at the British experience in the use of private-home day care and move to the development of an optional registration or licensing system which would permit private-home day-care providers to become registered on the condition they meet certain laid-down standards; and that in return for registration and the meeting of standards of quality, families who use registered private-home day care become eligible for the reformed subsidization program.

The ministry doesn't have to meet all its day-care needs through an expansion of group care; that is not what I am suggesting, although we have to do an awful lot better than we are doing now. We could also use private-home day care through a system of optional voluntary registration, combined with eligibility for reformed subsidization and an encouragement to private-home day-care providers to affiliate themselves with group-home day care for support.

[9:15]

With those measures we could go a long way in a relatively short period of time towards meeting the objective of universally accessible, quality, affordable day care in this province. We are now far behind because of the freeze. We are now in the fourth year of the day-care freeze in this province. The longer the ministry waits, the more costly it will be to redress the damage it is doing. It is classic penny-wise and pound-foolish. The longer the ministry waits the more the costs will be—the capital costs, the costs to the subsidization program—and the more damage that is done to families whose children are at risk.

I remind the minister, finally, that the social planning council has identified the fact that as a result of inadequate day care there are "children at risk"; I'm quoting directly from the report.

The minister can refute it rhetorically and do his usual response with studied ambiguity around day care. That serves nobody, least of all the families and children who require quality day care in Ontario. It remains our most effective preventive social service. On those grounds alone it deserves priority from a ministry which has a so-called priority on reform of children's services. Further, it is the essential means of achieving a policy of equal participation by women in the work force, in the economy of this province and of this country. On that ground as well day care deserves priority from the government.

The ministry has a double rationale for top priority, yet it continues to allow day care to languish at the bottom of the heap—frozen, unacknowledged, ignored.

I'm sure this is all new to the minister. This is my 400th day care speech since I have had the misfortune to serve as social service critic. Each time I make—

Mr. Nixon: Do you remember those great Indian affairs days; those great triumphs?

Mr. McClellan: Yes. It's really been uphill since then, hasn't it?

I hope when the ministry's policy comes out it will have something new to say, other than welfarization, welfarism. It's absolutely essential that day care be taken out of the Ministry of Community and Social Services so we can escape the blight of the welfare mentality. I'm not sure anything can be done with the service to get it out of that kind of mean-spirited, stigmatization and ghettoization that seems to be associated with selective welfare services, except to take it out and perhaps put it in the Ministry of Education, protecting the standards of quality with the same kind of tough legislation.

If the minister can't do any better than the kind of welfare-ghetto service he seemingly intends to perpetuate in perpetuity—

Mr. Nixon: Perpetuate in perpetuity?

Mr. McClellan: Right.

Mr. Warner: That's for a long time.

Mr. McClellan: It should be taken away from the ministry.

Mr. Wildman: Mr. Speaker, I rise to take part in this concurrence debate, largely because of and in reaction to the statement made—

Mr. Kerrio: You missed the estimates.

Mr. Wildman: No, I did not miss the estimates. Since there is a situation much like I'm going to discuss in Niagara I'm surprised the member is not taking part in the debate.

I am rising to take part in this debate as a reaction to and because of the statement the minister made in the House today in my absence.

Hon. Mr. Norton: I didn't just make it because you were absent. I thought you were absent because I was going to make it.

Mr. Wildman: Before getting to that, I would like to mention a couple of other things that have come to my attention, one of which I raised during my discussion of the estimates, and the other which has just come to my attention. I hope the minister will respond.

The first is the one I raised during the discussion in the estimates, and that was the health and residential care unit, the funding for the continuation, rehabilitation and eventual replacement of that unit on a shared-cost basis with the Ministry of Health.

When I raised it during the debate on the estimates, I was under the impression—perhaps incorrectly—that the minister's staff, from the deputy minister on down, didn't know about it; at least if they did, they hadn't done much thinking about it.

Hon. Mr. Norton: This is where?

Mr. Wildman: Hornepayne.

Hon. Mr. Norton: We're aware of it.

Mr. Wildman: At any rate, they didn't seem to be aware that the Minister of Health has said—and I have to take what he said at face value; I don't think he was obfuscating—that he is interested in providing the funds; that he has accepted the recommendations of the Algoma District Health Council that the unit and the project be made a permanent project; that the prefab building should be rehabilitated or replaced; and that it should be redesigned to serve its function better.

I raise it again to find out what, if anything, has happened with the interministerial discussions on that proposal. I know this ministry has a freeze on capital expenditures, so maybe it's very convenient for the Minister of Health to say he's in favour of it and just waiting for the Minister of Community and Social Services to give his commitment.

I'd like to know what has happened in those discussions because this particular type of unit really could serve as a model for small, isolated communities in northern Ontario and provide a flexible type of service to the disabled and the elderly without their having to travel hundreds of miles to some sort of institutional care in a larger centre. We must get it going on a permanent basis in Hornepayne and then look to expanding it to other areas.

The other matter I wanted to raise has just come to my attention as the result of a letter I received; that is the need for the provision of a development assessment team for the mentally retarded for the Algoma district.

I understand that the Rockhaven School at Serpent River did obtain, through the ministry's offices, the services of a developmental assessment team from Gravenhurst last year. That isn't going on this year and they cannot use the services that might be available in Sault Ste. Marie because they're overworked already. They're too busy in the Sault.

It seems to me that it's very difficult for us to give any kind of meaningful service in terms of designing programs to stimulate and help develop the mentally retarded, if we can't first get them properly assessed and have assessments done on an ongoing basis. I realize, as I said earlier, there is a freeze on capital expenditures in the ministry, but this would hardly be a capital expense. I hope the minister will look very carefully at providing this kind of needed service in order to have a meaningful program for the mentally retarded in the Algoma district.

As I said, the main purpose of my participation in the debate is to comment on and to ask for some further clarification of the minister's statement made in the House today with regard to the very serious situation we have in children's services in the Algoma district with the children's aid society strike which has gone on for five months. I intend to remain restrained and try to deal with this on a very serious and reasonable level; however, I must say something in reaction to a comment I read in Instant Hansard made by the minister in response to a question from my leader about his statement. He said: "The member is suggesting I inject myself into the middle of that dispute and come down squarely on the side of one party or the other. I am not going to do that."

Let me say, in all sincerity, that right from the beginning the minister has been injected into this dispute. He has been involved in it right from the day the members of the Canadian Union of Public Employees, local 1880, walked out. For that matter he was involved directly prior to that, during the period of negotiations prior to the breakdown and the calling of the strike.

Let's just review for a moment how the minister and his ministry is derectly involved in this dispute. To give you an example of a direct involvement—without question involvement of the type the minister was referring to today in his statement as if it were the first time—is the case where one weekend somebody from the regional office in Sudbury—I believe it was Val Gibbons—was in the Sault on call on an emergency basis for the children's aid society in Sault Ste. Marie. In other words, she provided a service very similar to the service the minister is now proposing members of his staff will provide during the Christmas season.

This is a case where the ministry staff is carrying out functions which would normally be carried out by the members of local 1880 who are on a legal strike—I remind the minister, a legal strike—and they have been without a contract for many, many months.

I also want to remind the House that this is a situation which involves not just salaries or wages. It involves a very serious concern about work load, caseload, and how social workers who are overburdened and overworked can provide a decent level of care—not just what is needed by children at risk, but the level of care they are required to provide by law.

The minister has made a great deal of the fact that since this strike began it is his responsibility, according to the law, to provide emergency service and to ensure that children at risk are provided with service. I don't debate that. It is the minister's responsibility, according to the law, to provide for that. But right from the beginning I have said that the most responsible way for the minister to carry out his obligation would be to provide the kind of funding required to bring about a settlement, so that the social workers who are responsible for doing the job and who wish to do the job could be back on the job providing the services they want to provide for the kids in our area.

It doesn't make sense to have social workers bored to death with nothing to do when there are kids who could use their help or to have a social worker coming into my constituency office on a volunteer basis to answer the phone because she doesn't have anything else to do—at a time when the agency says that it cannot be sure it is providing adequate care.

The minister now admits, and has admitted, that he can't be sure that they can provide adequate care either.

Hon. Mr. Norton: I cannot give an absolute assurance even if all the staff were working.

Mr. Wildman: All right, I'm not talking about the ideal. Perhaps it is debatable whether the minister knows whether they are providing care. I would think that prior to making the kind of decision he announced today he would have decided that in his opinion they could not provide that care.

Hon. Mr. Norton: Read the statement, that's what I said. Some workers were leaving for Christmas and they needed help.

Mr. Wildman: Exactly, so why is the minister debating it now?

To return to my point about the minister being involved right from the beginning: prior to this strike, of course, the minister was directly involved, as he is in every negotiation between an organized bargaining unit working for the children's aid society and the society by the fact that he or his ministry provide 80 per cent of the funding. I believe that 31 out of the 50 children's aid societies in this province have indicated to the minister that they do not have adequate funding to meet their obligations under the new Child Welfare Act. This is not an isolated situation. It is one where we have had a long strike, but in terms of the minister's involvement in regard to adequate funding, or inadequate funding, this year is not unusual.

[9:30]

The minister had been directly involved in terms of funding. Once the strike started, he was directly involved in that he had members of his staff, his ministry, going to the children's aid society operation in Sault Ste. Marie and Algoma to monitor the situation and to observe whether or not they were providing adequate care. When they determined they did not believe they were providing adequate care, the minister asked the children's aid society board to bring in outside workers. To me, that is a direct involvement.

When the agency had some difficulty in obtaining the required number of outside workers, this ministry actively recruited outside workers. I know the minister doesn't like to say "recruited." He doesn't like to use that word. What they did was they looked for names of people who might be qualified and willing to go to the Sault and they turned over those names to the board and to the administration of the board and said: "These are people who might be interested in going. You can get in touch with them."

Mr. McClellan: They trained them in the ministry's office.

Mr. Wildman: Yes. When they couldn't get enough trained people, I believe this ministry brought four people in the Toronto area into the Toronto office to train them and talk about the Child Welfare Act, their obligations under the act, what was going on in the Sault and so on. Maybe it wasn't ministry staff who were directly training them, they just used ministry offices. It might have been people from the Sault who came down to train them.

Mr. McClellan: John Adams was training them.

Mr. Wildman: If that isn't direct involvement, what is? Ministry staff has been actively involved in this strike from the beginning. The minister has been actively involved in requesting the agency to bring in outside workers and in providing, on at least one occasion, a member of his staff.

I remind you, Mr. Speaker, I do not debate the minister's obligation under the act. His obligation would be best fulfilled if he were to provide the funds necessary to bring this unfortunate dispute to an end immediately.

Before the House votes on concurrence, I would like the minister to answer a number of questions. How much has the ministry spent so far in monitoring the situation in Sault Ste. Marie, in terms of staff time and travel? How much has the ministry spent in terms of trying to find people who might go to the Sault for the agency? How much has the ministry spent in terms of training people to go to the Sault? I am talking about staff time, travel expenses, accommodation expenses and so on, for ministry staff involved in this process.

I would also like to know how much the minister estimates this so-called new approach announced today over the Christmas season is going to cost. How much have the taxpayers paid to try and keep the minister on top and involved in this dispute? How much have we paid the minister to become involved and remain involved in this dispute directly, in the ways I mentioned?

I also want to know, if he can give me that figure or figures, how that compares with the $20,000 back in June that would have settled this dispute. If it is $20,000 or more, which I suspect it is, how does he justify spending that kind of money to monitor a strike rather than to bring it to an end?

I would also like to ask the minister where these people, these outside workers who are now working in the Sault and Algoma for the agency, are coming from?

Hon. Mr. Norton: Do you mean the present ones?

Mr. Wildman: Yes. Are they coming from other agencies? If they are coming from other agencies, what assurance does this ministry have that those other agencies are adequately staffed when these people are in Sault Ste. Marie and Algoma?

I think it is very unfortunate that the minister has decided to take the approach he has taken over the last five months in this dispute. Anyone who understands the labour movement, the collective bargaining process, realizes that the use of outside workers to do the work of people who are legally on strike does not usually bring an end to a dispute or shorten it. In fact, what it usually does is prolong the dispute. It makes it less necessary for the employer to settle, which is why the employer uses those outside employees. It also produces a kind of bitterness and frustration on behalf of the striking employees that makes it very difficult for amicable relations to result from the bargaining process.

In this dispute in Sault Ste. Marie and Algoma, we haven't just had a situation where organized employees have been out. We have had a situation where two of the management staff have quit in frustration since this strike started. One of those two is a very well respected member of the profession in this province who had some real responsibility in the drafting of the new Child Welfare Act and who is very well respected by the em-

ployees of the bargaining unit and is respected across the province, in North America and even in Europe. He quit because he said he was afraid he might be brought to court because he wasn't providing or able to provide the services he was required to provide under the act.

Hon. Mr. Norton: Who was that? That wasn't the deputy director, was it? If so it is my understanding there were other reasons.

Mr. Wildman: Ross Dawson made that statement to the press.

Hon. Mr. Norton: I have reason to think there were other reasons.

Mr. Wildman: I know of other reasons in which he was involved, but that was the statement he made to the press. Perhaps he had other reasons. I think he probably did. One of the reasons he mentioned was he was afraid that at some time he might be brought to court because he hadn't been able to meet some obligation he was supposed to under the act.

I know, Mr. Speaker, you would like me to bring this to an end, but I would like to have this strike brought to an end. It has gone on for five months.

Mr. Ashe: Throw your salary into the pot.

Mr. Wildman: I suppose other members of the House who aren't directly involved can treat this with frivolity and don't realize the seriousness of the situation. I think the minister does and that is why he has become involved. I just wish his involvement had been of a more positive nature, rather than the kind of involvement which can only produce a situation which, in my view, will prolong the strike.

I urge the minister to change his approach, to use the money that has been spent on monitoring this situation and in helping to bring in outside people to do the job of the striking employees, to resolve the dispute and get the social workers who can help the foster parents who haven't seen counsellors for months, who can help the children who are at risk, who can get the assistance going the children's aid society is supposed to provide for Sault Ste. Marie and our area, back on the job in doing what they want to do, what the minister, the agency, and the whole community wants them to do. Let's get the strike over with.

Hon. Mr. Norton: Mr. Speaker, as usual, in dealing with any matters relating to my ministry, with the breadth of the scope of the ministry one can find any number of things to talk about at great length. Many of the items raised in the discussions tonight are matters touched upon during the estimates debates. There are some, though, that have arisen for the first time.

I say to the member for Bellwoods I don't know whether he heard my comment at the time he was quoting from the note I had jocularly sent to him when one of my colleagues was introduced as the Minister of Community and Social Services; I sent a note saying, "I concur." However, he spoke of the punishment I ought to receive in my ministry. I can say for the last three years I have been subjected to the punishment of having him as the critic and I can't think of anyone who could possibly have done a more effective job of being punishing in his punitive approach—there, Bob, I am doing almost as well as he did—his role as critic.

Perhaps I could respond initially to the last matter raised, since it is particularly timely and one which is foremost in the minds of those of us who have some involvement and sense of knowledge with what has transpired and is continuing to transpire in Algoma.

As I said in the House this afternoon, I regret very much the dispute in Algoma has not been resolved. The honourable member, himself, would concur it has been because of great effort primarily on the part of the Ministry of Labour that negotiations have been on again and off again and efforts have been made to conciliate in that situation.

It is a more complex situation than is portrayed by the honourable member. It may be that if I were to inject myself into the situation with a bagful of money and say, "Here, please resolve the matter with this money," it might be resolved. I would point out to him that he will discover in the very near future—it is my understanding there are some statements that will be made in the next few days, not by me, but by the parties concerned—that as of last week the circumstances changed again rather substantially in terms of what was being requested within the negotiations. A very disturbing event at this late stage in a prolonged strike. That raises some question as to what the issues really are.

I don't wish to speculate in public. That is not my business. I can be concerned about it privately and express some concern publicly, but I really don't think I should delve into specific speculation as to what other agendas may exist in this particular strike. But in understanding the role I have, I urge the honourable member to recall a few things. We are not dealing here with an industrial dispute; we are not dealing with the manufacture of automobiles.

We are dealing with the safety and the welfare of children. It is precisely because of the legislation under which I and my ministry have a mandate with respect to child welfare in this province, that I have placed upon me the obligation to take steps to ensure, whether or not there are labour disputes in Ontario, that children are not unnecessarily at risk. It is precisely in the discharge of that responsibility that I have attempted to play the role I have in relationship to this strike.

[9:45]

I think that the allegations of strike-breaking which have arisen from time to time and did again in the House this afternoon, lose sight of the fact that we are not talking about an industrial strike in this situation. As long as the parties are unable to resolve their differences, I and my ministry have a special responsibility—one that the members of this Legislature have given to me on behalf of the people of this province—to ensure that those children are not at risk. I'm discharging that to the best of my ability at this point.

The honourable member suggests that the way I ought to do that is to iniect myself into the negotiations by saying, "Here's the money, resolve the strike." If you look at history, Mr. Speaker, and I'm sure the member for Algoma has, if you look at what has happened in terms of the funding of that society over the last few years, I do not believe that the critical issue in this particular case is what the specific dollar figure of that society's budget is.

I do not believe that and yet that is the issue that is being prolonged and where the parties even very recently, as recently as last week, have appeared to change their positions. As I say, that is a disturbing fact. I suspect there are other agendas.

I would be delighted to discuss or answer the honourable member's questions if I could. He asked how much we have spent, for example, on monitoring the levels of service in Sault Ste. Marie. I don't know that. I can't tell him. I could try to find out.

I can tell him this: the monitoring that has taken place has been done by staff who are full-time employees of my ministry for that purpose, so there are no additional salaries involved in that, to the best of my knowledge. These people, generally speaking, are management people who I don't believe are paid overtime. They are on a salary basis. There has been no additional money in terms of salary time for the monitoring function that has gone on.

How much has been spent on recruiting? Again, I don't think there has been any significant amount of money spent in providing the society with names of persons—whom we have heard of, or know, or whom other employees of the ministry may know—whom they might call upon to hire to assist in maintaining a minimum level of service. We haven't been advertising in newspapers or anything of that nature where there was any specific expenditure.

How much time is spent on travelling? I'm not sure what the honourable member means by that. The ministry staff who work in Sault Ste. Marie do from time to time travel to Toronto or Sudbury or various other locations in any event.

Mr. Wildman: The minister had some people from Toronto go up there.

Hon. Mr. Norton: The member means our ministry staff? As far as I'm aware there have been, perhaps, a couple of times that I know of where two or three of my ministry staff have been up there. More often, there have been staff from Sault Ste. Marie down in Toronto to discuss this, among other things. It has never been specifically and only for that.

I don't think any significant additional amount of money has been spent for travel—there may have been one or two trips where somebody specifically went up to a meeting. For example, I recall one occasion when my associate deputy minister and the executive director of the children's services division—I believe those were the two persons involved—flew up to meet with the board of the children's aid society. That would be one specific incident where money was expended on travel; there may have been other occasions, but it has not been a major expense.

How much money has been spent on keeping me involved? I'm not even sure what the honourable member meant by that.

Mr. Wildman: All the involvements I listed.

Hon. Mr. Norton: The member means the five questions he's raised? I'm sure I don't fully understand the question.

I haven't been paid any overtime for what I have been doing. It's part of my regular job. I must say I fail to understand—maybe I should just come to the conclusion that it really hasn't cost the honourable member anything for the service he's received from me other than my regular salary.

Mr. Breaugh: That's what you call equal pay for work of equal value.

Hon. Mr. Norton: It's charity.

The next question the member raised is where are the people coming from? If the member is referring to the people to whom I was referring in the statement today—

Mr. Wildman: The people who are there now.

Hon. Mr. Norton: Those five people I referred to today are employees of my ministry. I can't tell the member specifically where they come from. I don't even know all the names. As I recall, two or three of the five are from ministry offices in northern Ontario and the others are from southern Ontario. They are people who have had fairly extensive experience in child welfare. Two of them—and I stand to be corrected on this if I am wrong—have at one time or another been local directors of children's aid societies.

The reason for their being there, as I explained, is to ensure that through the Christmas period, starting today and probably getting a little worse next week with contract employees leaving to be with their families over Christmas, the society would have additional support to provide only the minimum level of service to ensure children are not unnecessarily at risk.

Mr. Wildman: Where are the contract employees from?

Hon. Mr. Norton: I couldn't tell the member. They are from all over the province.

Mr. Wildman: Are they from other agencies?

Hon. Mr. Norton: There may be one or two who are management people. I recall hearing of one management-level person in an agency in northern Ontario who had offered to assist. I don't know of any others who are currently employees of children's aid societies. Most of them have had some child welfare experience, but would be retired or have moved on to other things. I think it is safe to say that is generally not the case. There may be one or two from other societies.

I would urge the member to keep in perspective the role I have played, rather than suggesting I have injected myself into the strike. I have come down firmly on the side of the welfare of the children. I will continue to do everything I can to ensure, not that the optimum levels of service are provided in Sault Ste. Marie—goodness only knows they have not had service there at the usual levels for going on six months now—but that the children are not unnecessarily at risk.

With respect to the member's comment about the residential-care unit in Hornepayne, we have reviewed the position with the Ministry of Health on the basis of the member's interpretation of the minister's letter. I think the ministries are substantially in agreement on that. I understood the member in his earlier remarks during the estimates debate was suggesting the Ministry of Health had committed itself to a replacement unit.

Mr. Wildman: The Minister of Health said he had accepted the recommendations of the Algoma District Health Council. One of them was a replacement of the unit.

Hon. Mr. Norton: My understanding is that we are essentially in agreement that at some point replacement will be necessary for the present facility. That may be an area of misunderstanding. Given current capital restraints, we feel the present facility can be modified so as to be serviceable for some time before replacement will be necessary. I stand to be corrected if the member is not talking about a new one. I understood that he was and my response was based on that understanding.

I was not aware that there was any request before us for a developmental assessment team for the mentally retarded in Algoma district. I would suggest that if there is such a request forthcoming the appropriate way to proceed would be through the district working group as a proposal.

Mr. Wildman: It has already gone through.

Hon. Mr. Norton: Has it already gone through them? Personally I was not aware of it. It might have been received as a request by the ministry. I can follow up on that and see.

Perhaps I could revert to the remarks of the member for Sarnia (Mr. Blundy) at this point. Once again I agree that the level of income maintenance payments is not optimum—perhaps that's a way that one can express it. I realize that people who are in receipt of family benefits, who are solely dependent on them, do have a difficult time in terms of making ends meet. But I do think, in talking about the increases that have taken place this year, one has to look at total income.

If the members look at the increase that was available through my ministry and the increase that was available through family allowances, the increase this year was approximately 12 per cent. That was 12 per cent—I'm sure the member will say—on a base that was too small. Nevertheless, the member said they have fallen behind.

I don't know what the complete figures are for year over year inflation. I suspect that 12 per cent could substantially meet

those inflationary increases. If one looks at the total income of family-benefit recipients, those persons with children who are in receipt of family allowances, 12 per cent is a more realistic increase for this year than six per cent if one looks at them as separate entities.

On the question of the difficulties that some landlords have or claim to have in collecting rent from persons on income-maintenance programs, I think it's important we remember that the income these people are receiving ought to be treated as that—as their income. We ought not to be viewed by landlords in this province as either rent collectors or as big brother watching over the shoulder of everyone who is in receipt of income-maintenance assistance.

I know the request comes frequently and fairly often from people saying, "Someone who is in receipt of benefits from your ministry failed to pay their rent to me. I think you ought to pay it directly." My response generally and consistently is no.

Who is Bill?

Mr. Cunningham: Bill Davis. The boss.

Hon. Mr. Norton: I see. I shouldn't have asked who Bill is. That's like asking, "Who is Joe?"

I'm assuming that when these honourable members raised these serious issues they anticipated a serious response. That's what I am proceeding to do.

I don't think it is appropriate for my ministry. In some instances where there seem to be some ongoing difficulties in budget management, sometimes a person in the community for a period of time is made a trustee to assist the recipients in the management of their budgets, to ensure that they are able to meet those kinds of expenses. That is a possibility where there is a chronic situation. Generally speaking we're not rent collectors. Landlords have to take risks wherever their tenants come from. Sometimes it's a risk I would say they have to calculate.

The member mentioned general welfare assistance budgets being overspent. It's very difficult to project what the trends are going to be in any given fiscal year. In fact, some GWA budgets in municipalities are declining. There is no province-wide uniform pattern. But I can assure the members we will meet our commitments under that act.

I know it may be a little more difficult for some municipalities in terms of their share, but it being an open-ended program, we will meet whatever our share is of whatever they have to spend. They may have to recoup some of that in their own budget next year.

[10:00]

The members raised a number of other items. Maybe I can touch very briefly on a few of them.

Again, children's services budgets: The member focused particularly upon the closing of training schools and the impact that has had. I have tried to emphasize, time and time again, that we have not really closed occupied beds in training schools. We have closed empty beds.

The population in the training schools has not dramatically declined since we began closing training schools. We had far more beds in the training schools than were occupied. That continues to be the case. We still have an excess of beds. We could probably close the equivalent of another training school or two without having to return to the community any child who is not ready. Because people have heard that we're closing training schools and because there's been a difference in the pattern that has developed recently in the courts in terms of the numbers who are sent to training schools, especially since the changes in the act back in the early part of this decade—

Mr. McClellan: What changes were they?

Hon. Mr. Norton: In the early part of this decade, with the deletion of section 9 from the Training Schools Act.

Mr. McClellan: You mean section 8. That was only two years ago.

Hon. Mr. Norton: Section 8, right. Sorry. There is some impact from that but I don't think it's as serious an impact as is generally perceived.

Basically, what happens to the children who are truant, for example, is they are not necessarily any longer sent to training school. Children whose parents find them difficult to manage are not sent to training school any more. Not every ill-behaved child is a former ward of the training school. That seems to be a misconception. People have focused upon that. I don't believe that is what is happening.

We talked about children's services budgets this year until I was blue in the face. The member for Bellwoods raised another concern tonight after we took a full day in estimates.

Mr. McClellan: I still didn't get an answer. I am just asking the question again.

Hon. Mr. Norton: With respect to the specific concerns, I must say I apologize for those two things which the member raised where he said he had not yet had a specific response. I did undertake that he would get

one. He will get one. I did not realize he had not yet received one. I apologize for that.

Perhaps I can move on to the member for Bellwoods and just touch on a couple of things.

Mr. Nixon: You're just skimming over the surface. You're going much too fast.

Hon. Mr. Norton: Does the member want me to slow down a little? I will, if the member for Brant-Oxford-Norfolk would rather get more of the meat.

One of the most interesting things, one of the most debatable things that the member for Bellwoods raised, is he talks about this ministry's bad record in day care.

There is greater demand than supply. There is no question about that.

Mr. McClellan: The minister used to dispute that.

Hon. Mr. Norton: I've never disputed that. What I do dispute though, and I will dispute it again, is the results of some of the studies that he quotes and which have surfaced from time to time. They are questionable. They're based on certain assumptions with which I don't agree. For example, it seems that many of those are based upon—and I don't mean to be provocative—the assumption the parents are inherently incompetent to make decisions with respect to the care of their own children by making private arrangements and so on. There is a perception on the part of some of the people in the child-care sector in this province that every care situation a child is in ought to be licensed and supervised.

I don't necessarily agree with that. I would be willing to agree there are children who are in situations which ought to be licensed and supervised, but I think some people would carry that to the extreme and would end up licensing and supervising the parents' supervision in their homes. One can carry that to an extreme. When the member starts quoting figures in the hundreds of thousands in terms of the need for day care in Ontario that is when I have to say, "Whoa, you're getting carried away with your figures." I don't believe that degree of demand exists. There are still parents in the province who would choose, as a matter of their own values and their own wishes, to provide care in their own home for their children.

Mr. McClellan: Of course. Nobody is disputing that. You raise straw men and then you knock them down.

Hon. Mr. Norton: The member is the one who raised the figure of 100,000 in need in Metropolitan Toronto. I question that. I'm not saying it's absolutely wrong, but I question it. I don't think it can be substantiated.

Mr. McClellan: That is the number of children who have substitute child care.

Hon. Mr. Norton: All right. I think many of the parents of those children are quite competent to make substitute child care arrangements if that is their decision. I don't happen to believe that every parent who places a child in substitute care, in some cases with relatives or friends or a trusted neighbour, needs a social worker to tell her where her child ought to be placed.

Mr. McClellan: Nobody is suggesting that.

Hon. Mr. Norton: When you start talking about those children who are in substitute care and the need for supervision and the need for licensing, then you are treading very close to that direction.

Mr. McClellan: I am talking about an adequate range of choices. Don't distort what I'm saying.

Hon. Mr. Norton: Most of those people have a better opportunity for choice in Ontario than they have anywhere else in Canada. We are continuing to increase the number of supervised and subsidized day-care spaces in Ontario at a time when there is a general decline in the country. This year, for example, we will have increased them by 730, approximately, at a time when, according to Statistics Canada, there has been a decline of 1,500 or more across the country. We are doing a much better job, I suggest, than is generally being done in Canada.

That doesn't mean that we can't do better and that we won't try to do better, but let's just keep things in perspective. I realize that when the member criticizes us he realizes he is criticizing the best government in the best province in this country. That's why he has to sound so harsh. I realize it doesn't really come from the heart.

Mr. McClellan: Yes, it does. That's where you're wrong.

Mr. Breaugh: Somewhere in the vicinity.

Hon. Mr. Norton: The spleen, I think. Is that near the heart?

There are other concurrences to be dealt with tonight, but may I just conclude with what the honourable members opposite will consider to be provocative? It is in response to the member for Bellwoods who said that Ontario hasn't taken any initiative. May I just say this? The government of Ontario has taken many initiatives in the area of social services in this province. It has set precedents that are envied by other jurisdictions in Canada, in North America and around the world.

All the member has to do is look at those areas where we have taken initiatives that were not subsidized by the federal government. We have more 100 per cent provincially-funded programs than probably any other government in Canada—and he can't deny that—and that's because we have taken initiatives even if we didn't have federal cost sharing. We have been very progressive in doing that.

Mr. McClellan: You are so smug and complacent you don't even know what is going on in other parts of Canada.

Hon. Mr. Norton: Talking about not knowing what is going on—

Mr. McClellan: Don't read anything the Minister of Culture and Recreation (Mr. Baetz) gives you.

Hon. Mr. Norton: He's just telling me to shut up, the same as you are.

May I just conclude by saying this to the member for Bellwoods? He says I don't know what is going on elsewhere and he starts talking about day care in Britain. I happen to have seen some examples of that. I happen to have been there in January of this year.

Mr. McClellan: Wasting the taxpayers' money.

Hon. Mr. Norton: No, I don't think so. I don't think it was a waste of money at all. If the honourable member were to look at the programs being provided in many parts of Britain he would condemn them immediately because of what he would regard as a substandard level of care, low standards and a lack of professional qualifications. Some of these things may not be a bad idea, but I can see him jumping straight up and down in this Legislature and damning them from here to Bellwoods if he really saw them. He should make sure he knows what he is talking about before he starts suggesting what great things are happening in Britain or in Sweden. I know some of the things that are going on there and I have visited them recently.

Resolution concurred in.

MINISTRY OF CULTURE AND RECREATION

Mr. O'Neil: I will try to be as brief as I possibly can. There is one matter I wish to speak on upon reflection since the estimates were debated and that is there appears to be a particular component of cultural life seeking the ministry's direction. That is our museum system. It is not apparent to me that the ministry has made known its policy towards the two distinct aspects of our museum on one hand and, on the other, the smaller museums.

I question the guidelines under which our smaller museums operate, the responsibility of the ROM and, above all, the role of the ROM as it relates to its interactions with all other museums in Ontario.

When one compares the total budget of hundreds of smaller museums, at $1,731,800, with that of the ROM, at $9 million, the question arises as to the accountability and responsibility of these two components of our museum sector. When he considers that after the $9 million ROM budget the next largest grant to a museum is $77,000, one realizes how diverse these two components of the museum sector are.

I must express a grave concern towards the operation of the ROM. It is run at arm's length from the government through an appointed board and therefore may not be subject to the close scrutiny that other government bodies are. Although its financial statements are examined by the provincial auditor, are we assured of the accountability for the operations of the ROM? Who guarantees the ROM is responsibly carrying out its mandate in the best interest of the Ontario public?

The ROM has been functioning since its 1968 split with the University of Toronto under an act which reads somewhat like a university act. In view of the 10-year transition period, isn't it time a group representing the ministry, the museum and the public sat down and shaped the act to better reflect the place of this great institution for the future?

In reading the ROM's annual report I am unable to discern much information about what goals are being addressed, how funds are used on those projects and the measure of evaluating management successes. I am sure these meet cursory legal requirements but I suggest better financial data is in order.

Throughout the public accounts committee hearings and in various press accounts we have seen discrepancies and glaring internal problems at the ROM. I would like strong measures undertaken which will look at the practices of this institution internally, its management, its communications problems, the stresses of change, its seeming inability to consider the public as evidenced by its internal decision to close, the problems of morale, staff needs, expertise to handle $9 million in public funds, the questions of pure research and what directions the institute should be taking to better serve the people of Ontario.

The inward approach, unfortunately termed the professional outlook of the ROM, has meant that instead of analysing what the ROM can do for the public, it undertook the renovation scheme that was the easiest or most economical for ROM staff. This suggests to me the professionals either don't care or are really unaware of what the museum's role is within the province.

These questions have surfaced because we now face the closing of these institutions at the expense of the public. It appears no alternatives are being considered to allow the public to have access to the treasures of the ROM during this renovation period.

Maybe I should correct that a bit. In question period this afternoon I did ask the minister about sending some of these displays out. He mentioned the travelling van and a few other smaller displays. We have his commitment that he and his ministry staff will be in touch with the ROM to see if a lot more displays can be shipped out across the province. Once it is closed, not only the general public but a lot of the children who were used to going there to look at these displays will have lost that unless we do put the displays out to the province. I am also hoping the minister will consider giving Wintario funds to some of these groups that may apply for it.

I wonder if we know enough about the ROM's plans to let it go ahead in this fashion. After all, is this closing being responsible to the public it serves?

[10:15]

I hope the minister will take some of these comments under consideration, especially the internal problems I feel he and his ministry have with the ROM. I think there has to be some really new thinking to come up with some of the solutions.

Hon. Mr. Baetz: Mr. Speaker, I shall be very, very brief indeed, because I know that the members opposite and on this side wish to move on with other concurrences.

In response to some of the difficulties and the problems that exist internally at ROM, I can only say that our ministry is certainly aware of some of the difficulties, some of the tensions, and I would like to emphasize some of the healthy tensions that exist at the ROM.

I think we all have to recognize that the Royal Ontario Museum is indeed a unique organization, a very unique operation. It is really impossible to take a blueprint from any other operation in the world and simply apply it to ROM because ROM is unique; there is nothing like it in the entire world.

We are aware of some of these tensions that exist there. We are working away at them along with the board of directors of ROM, with the management there, with the director and with the professional staff. I really feel that if all of us on both sides of the House continue to work constructively along with the board at ROM it will continue to be a world-class museum—and in fact will be an even better and a greater museum once they have concluded their substantial renovation and expansion program.

I also think we should keep in mind there are many advantages to be gained in having the ROM at an arm's-length relationship to government. It protects it from undue politicization. I think we should always be aware of the fact that the men and women who serve on the ROM board of directors are outstanding citizens. They have a great deal to offer as volunteers and are making a substantial contribution to that great museum.

In closing I do want to be very, very brief, although I could speak at great length here on this, to say I think that the record of ROM —what it is, what it has done, what it will be— speaks far more eloquently than my going on here for many, many more minutes or hours to pay tribute to the people who are volunteering their time, effort and talent in directing that museum.

Certainly as far as the smaller museums are concerned in Ontario, it is true that ROM stands out. But the ROM is a world museum. We have some 400 museums in Ontario now and we do have a policy for them. The growth has been phenomenal and we have supported that growth. I would think that if members were to go to any small community across the province they would find the people there very, very proud of their museum, even though it does not have a budget of $9 million a year.

I would go out and ask the people in the smaller communities across the province whether they have a worthwhile local museum and it will be found universally the answer is yes, and proudly so.

So, Mr. Speaker, the record speaks for itself. With that very, very brief response and I know that the comments are worthy of far greater response than this, but in the interests of time I wish to terminate my comments at this point.

Resolution concurred in.

MINISTRY OF THE ATTORNEY GENERAL

Mr. Nixon: I just have one matter I want to deal with, Mr. Speaker, which I felt was not fully explored in the estimates.

Almost exactly two weeks from today, the Attorney General (Mr. McMurtry) will be announcing to the night editor of the Globe and Mail those to whom he is giving the designation Queen's Counsel, those learned in the law. I want to express again my deep concern that since this matter does not involve the Minister of Consumer and Commercial Relations (Mr. Drea)—and I believe it should involve him since there is some misleading advertising associated with this—that the Attorney General, who has really the full responsibility for this, should before he continues his present procedures give it some further consideration.

As the minister knows, I am somewhat interested in some aspects pertaining to the legal profession. The designation "learned in the law" is one that has interested me particularly, since so many of my capable friends have received this designation.

In the United Kingdom, as the minister knows, it is not distributed with quite the generosity and, let's say, indiscrimination as it is in other jurisdictions. It is interesting to note, without spending a lot of time on the elaborate research I have undertaken, that in 1978 in the United Kingdom 30 QCs were awarded; in 1977, 40; in 1976, 32; and in 1975, 34. Without going back too far, I simply want to bring to your attention, Mr. Speaker, that in this year, 1979, the Attorney General, in his generosity, was moved to recommend 133 appointments.

Really, the thing that concerns me is that the value of the award is becoming significantly diluted in this regard. I want to quote just a comment from Mr. Justice Sydney Robins, written in 1974, when he had a slightly different series of responsibilities. I quote him:

"No recognized or discernible criteria by which it is granted is significantly understood. This imprecision has led to a widespread belief that the award is a meaningless one, since it is not learning in law that is being assessed, but rather party allegiance or public service. QCs are frequently given to people no longer practising law, who are solicitors and never appear in court, or who are both barristers and solicitors and sometimes appear in court.

"It has been pointed out by Stephen Borins, now a county court judge, in 1969, that even the name 'New Year's honours list of the Attorney General' suggests that the award is being used as something other than an indication of the eminence of a courtroom lawyer."

We know in this jurisdiction that the Attorney General very wisely wants to have a request in writing. A couple of times he has awarded a QC and it has not been accepted. I think the last time this happened was when the Honourable Donald Macdonald, a very well-known lawyer in town and we read about him frequently, turned down a federal QC. There seemed to be some indication in his mind that the designation would only lead to confusion in the minds of his clients as to his qualifications. No one in this House would ever question his eminence and ability, but he felt that he was not interested in accepting that award. I suppose he would agree with the description I referred to by another now eminent jurist that it is meaningless.

I believe the Attorney General asks for and requires 12 years' experience without disbarment in order that the award continue, and he does look for community service. We, as politicians, are very sensitive about that. We admire people who serve the community, but in all respects it has nothing whatsoever to do with being learned in the law.

It would be nice perhaps if this were a cross to be hung around the neck of the recipients; in other words, an award for involvement. Perhaps Her Honour could do this personally. Since there are many people in the province who feel that QC behind the name of the lawyer concerned is a designation of special prowess or ability or outstanding academic achievement or even special achievements in the court, I would say to you, Mr. Speaker, that in that degree it does represent what I consider to be quite a serious misrepresentation.

I was pleased to know that the benchers of the Law Society of Upper Canada expressed their own concern about this, particularly when they looked at the numbers of QCs awarded as compared to those called to the bar who are eligible for designation as QCs. About 46 per cent of eligible lawyers in 1975 did have QC appended to their name.

Just in passing, I've always been very impressed that the lawyers insist that the QC designation follow them whenever their name is put down and even when it is spoken orally. It seems to be a part of the name. In the case of my former colleague and good friend, Vernon Singer, for many years I thought his surname was QC. There was a certain degree of confusion in this connection.

For 1975, the last year for which figures are available, 46 per cent of the eligible lawyers were QCs. I'm not prepared to say that only 46 per cent of the eligible lawyers were Conservative. I feel that probably not

all the Conservative lawyers have written the right letters or perhaps asked me, as the member for Brant-Oxford-Norfolk, to add my recommendation to the voluminous recommendations they arrange to be sent to the Attorney General.

I have tried very diligently to get the figures for more recent years. While it is possible by looking at newspaper notices to find out how many QCs have been awarded, it is not possible to compare those numbers with the actual numbers of practising lawyers who have the appropriate requirement of 12 years' experience. In 1979, 133 were appointed; in 1978, 119; in 1977, only 99—was that the year the present Attorney General assumed office perhaps?—in 1976, 122; and in 1975, 105. Try as I might, I've not been able to get the statistics that would allow me or someone else to calculate the percentage of eligible lawyers who hold QC status.

We've asked the law society and others, but in every place we have attempted to find out we have been told this information may be released only under the authority of the Attorney General. For some reason, he doesn't seem to be proud of it. Although I have put on the Order Paper a question which may or may not be answered by the time we prorogue, I am looking forward to getting that information.

One of the former residents of my constituency, a man in whom we have great pride, former Chief Justice of the Ontario High Court, J. C. McRuer, is reported to have called the QC something of a fraud on the public. The only fraud, I say again, is that I suppose it has become too common. Those lawyers who continually make use of the QC obviously think it is either a procedure whereby they can attract additional clients, which is obviously something that most of them would want to do, or it is an honour they simply want to be sure that their colleagues, particularly, are aware of. Knowing this, the benchers of the law society dealt with the following resolution, passed in 1975: "That the law society recommend to the governments of Canada and Ontario that the title Queen's Counsel be abolished; and that if this be done, the law society amend its rules of conduct to prohibit the use of the words Queen's Counsel or the letters QC in any firm name, letterhead, calling card or sign of a member of the society; and that the society direct its professional conduct committee to review the professional conduct handbook and all other society documents regulating the conduct of members and to make all necessary changes in these documents to implement this motion."

I feel they are very well-directed in this connection. As the time runs out in my part of this debate I want to urge the Attorney General, if he doesn't choose to eliminate the designation, at least to use some of the alternatives that have been put before the public and which may in fact be put before this House if we return to this debate. This could bring some order and some additional value to the designation QC.

I believe this in the mind of the Attorney General and I would heartily recommend it to him.

On motion by Mr. Warner the debate was adjourned.

The House adjourned at 10:31 p.m.

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No. 141

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Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House met at 2 p.m.

Prayers.

FOOD PRICES

Mr. Swart: On a point of privilege, Mr. Speaker. Yesterday, in a delayed reply to a question of mine, the Minister of Consumer and Commercial Relations gave incorrect information to this House, inadvertently I am sure, and in so doing attacked, I suggest, my integrity.

I will supply him with the simple corrected math and he would then perhaps like to correct his statement. He said one litre of US Miracle Whip at $1.31 should have been $1.13. I will send this over to him.

Hon. Mr. Drea: Mr. Speaker, I will stand by what I said yesterday.

STATEMENT BY THE MINISTRY

REVISED BUSINESS CORPORATIONS ACT

Hon. Mr. Drea: Mr. Speaker, today I am making available for comment a proposed revision of the Business Corporations Act.

The act originally came into force on January 1, 1971, and introduced for the first time anywhere in Canada the concepts of the one-man business corporation and incorporation as a right. Last May we amended the act to facilitate over-the-counter incorporation and to provide a means of speedy incorporation for the business community. Apart from housekeeping amendments, no further significant changes have been made.

Specifically, the act must be amended to make it uniform, where practical, with the Canada Business Corporations Act, which came in force in December 1975. That act, though modelled on our own, introduced new concepts and reflected growing public interest in the rights of minority shareholders.

In addition, the select committee on company law, in its 1973 report on mergers, amalgamations and certain related matters, recommended substantial changes to the act. Members of the legal profession, businessmen and the Trust Companies Association of Canada have also requested amendments which would overcome problems and correct deficiencies encountered in working with the act.

In March, the staff of my ministry drafted a proposed revision which was sent for comment to certain interested parties. A committee of the commercial, consumer and corporate law section of the Ontario branch of the Canadian Bar Association was appointed to review and comment on the proposed legislation. It was also reviewed by the corporation legislation committee of the Board of Trade, the Institute of Chartered Accountants of Ontario, by the Trust Companies Association of Canada and the law schools in Ontario. Revisions were made on the basis of comments received during the summer, resulting in the proposed draft I bring to the members' attention today.

We are circulating this draft because we feel it is essential that a revised Business Corporations Act for Ontario be acceptable to the business community and its legal and accounting advisers, be workable and reflect the latest concepts in corporate law. Following this review, we will be in a position to introduce a bill incorporating the necessary changes.

ORAL QUESTIONS

ONTARIO HYDRO EXPORTS

Mr. S. Smith: A question to the Minister of Energy, Mr. Speaker: Can the minister confirm if it is correct Ontario Hydro is selling surplus electricity to American utilities for as much as one cent per kilowatt hour less than Ontario consumers are paying? Is it also correct that some of this surplus power is being sold below Hydro's production costs?

In this connection, is it also not true that American utilities buying this power are retailing it to their consumers at profit mark-ups of as much as 50 per cent of their cost?

Hon. Mr. Welch: Mr. Speaker, I have been awaiting a more detailed response from Ontario Hydro which has not arrived as yet. But certainly when it does arrive I will be glad to share additional information with the honourable member.

I am told, by way of a preliminary examination of the story which appears today in

the Toronto Star, there is a comparison between the wholesale price of exports and the Ontario retail price, which makes the comparison more marked. Under the circumstances, if the Leader of the Opposition wouldn't mind, I will wait until I get some further information from Hydro, which had not arrived at the beginning of question period.

Mr. S. Smith: Supplementary: On a matter as important as this, while I realize it is not reasonable for the minister to have at his fingertips all information, I would have thought the minister would know. Is it the minister's contention that it is justifiable to ship to American profit-making corporations at the same price charged to utilities here, if it is a question of wholesale versus retail?

Does the minister recognize the rural consumer who buys directly from Hydro is paying much, much more than these American utilities are paying by buying directly from Hydro? Why should it be that American utilities can buy the power more cheaply than our own consumers?

Hon. Mr. Welch: Mr. Speaker, as I indicated earlier there is an unfortunate comparison between wholesale export and Ontario retail prices. The information I have, and I want it to be accurate and I'm sure the Leader of the Opposition would want that, is, first, that Ontario Hydro does not sell power below production costs. In fact, the policy is not to sell below cost plus 10 per cent.

Second, the Star comments that, "Last year, Ontario consumers bought 88 billion kilowatt hours of electricity . . . worth $1.8 billion." Any pocket calculator shows that is 2.04 cents per kilowatt hour. The Star also notes that last year 10 billion kilowatt hours of electricity worth $290 million were exported. That averages to 2.9 cents per kilowatt hour. The Star's own figures show Ontario consumers paid less than foreign customers.

Third, average production cost at Nanticoke is 1.6 cents per kilowatt hour, not 2.38 cents, as is claimed by the Interested Citizens Group.

Fourth, the sales to the United States are on a bulk basis, delivered at either 230,000 or 115,000 volts.

Fifth, sales to municipal utility customers include facilities to transform the electricity downwards to household levels and Hydro's share of this is reflected in the cost to utilities.

Sixth, the rural rate includes all the facilities to transform the power down to household levels and distribute that power to each household. These costs are reflected in the rate.

Seventh, the power exported is surplus to Ontario's needs at that time and the sales, which are on an interruptible basis, are cancelled immediately if the power is needed in the province.

In the first 10 months of 1979, Ontario Hydro exported 10.4 billion kilowatt hours, worth more than $300 million, with a net return or profit of about $136 million so far this year. This margin affects rates to all Hydro customers. Without the export sales margin rates would be higher in the province.

Finally, Ontario Hydro must obtain a licence to export power from the National Energy Board. It must satisfy the National Energy Board that among other things the cost of energy to be exported must be recovered fully and, second, it must not be less than the price to Canadians for comparable service.

Ms. Gigantes: Mr. Speaker, I don't think what I'd like to ask is really a supplementary. It may be in the way of asking your advice. When the further information comes to the minister, will he be making a statement? Can we ask supplementaries then?

Hon. Mr. Welch: Mr. Speaker, just to comment: The information which I've just shared in point form is the information which arrived between the main question and now. I'd be quite prepared to respond, or to attempt to respond, to any questions based on the information I've just shared with the House.

Ms. Gigantes: On a point of order: as the information which the minister has just given us almost amounts to a new statement of information from the minister, because this question has already been raised recently in the ministry estimates, I wonder if we could ask him to provide a copy of this statement to us.

Hon. Mr. Welch: I'd be very happy to see whether we could get some run off now. It was actually just a matter of point form in response to the story which appeared today in one of the Toronto papers, but I'd be glad to get the honourable member those points.

Mr. Blundy: I have a supplementary of the Minister of Energy. Given the fact it is commonly said in Sarnia-Lambton that 100 per cent of the production of the Lambton generating station is sold to Detroit-Edison, is the minister willing to categorically assure the users of Sarnia and Lambton that they are not paying more for hydro than is being charged to the Detroit-Edison Company?

Hon. Mr. Welch: I thought I handled that particular question, in so far as the story was concerned, in the comparisons. I would point

out to the honourable member that as far as any comparison of monthly residential electric bills is concerned, if one were to look at the July 1979 figures it's $28 in Toronto compared with $46 in Detroit. Certainly there's a very remarkable difference as far as rates are concerned.

Ms. Gigantes: Supplementary: Could I ask the minister, Mr. Speaker, why it is that if Ontario Hydro is involved in a sale which involves selling bulk hydro on an interruptible basis to another utility which then sells it to yet another utility, Ontario Hydro doesn't seek to get the middleman profits out of the deal by contracting directly with the final user?

Hon. Mr. Welch: Does the honourable member mean the residential user in the foreign jurisdiction? It obviously deals with the utility in the foreign jurisdiction which in turn deals with its own utilities.

Mr. Speaker: A final supplementary, the Leader of the Opposition.

Mr. S. Smith: The minister has answered point by point an article which appeared in the Star. Actually, I did not ask him to do that. I asked him a specific question.

In particular, one aspect he has not addressed himself to is the question, not of what the users of Detroit-Edison pay, or what the users of Niagara-Mohawk Power pay, but of whether those utilities are retailing Ontario Hydro power to their consumers at a 50 per cent markup. What I'm asking the minister is whether he has information to confirm or to deny that particular possibility.

Hon. Mr. Welch: I have no information that would confirm that the assumption which the Leader of the Opposition has made is correct.

[2:15]

Mr. S. Smith: The member for Ottawa East (Mr. Roy) would have asked a very important question on behalf of his constituents, Mr. Speaker, about the lack of transmission to the Ottawa area. I will ask a different question now there is no chance to get that on record.

OHIP PHYSICIANS' DEBTS

Mr. S. Smith: A question to the Minister of Health: Since it has become apparent that of the $1.2 million still owed by physicians and practitioners to OHIP, $208,000 of that is unrecoverable because these doctors no longer reside in Ontario, is the minister giving any consideration to how to deal with that problem? Is he prepared, when doctors give notice of opting out of OHIP, for instance, to make sure that any debts they may have in this regard have been recovered? Is there any way he and other provinces could get together so a doctor can't simply leave the province and leave behind a debt without any possibility of any attempt being made to collect that debt?

Hon. Mr. Timbrell: Mr. Speaker, first of all, once the MRC or the practitioner review committee has made a finding, the physician or the practitioner in question has the right to appeal. That, you will understand, not unlike legal matters involving the courts, can be a lengthy procedure, in which case we are not, as I understand it, in a position where we can legally begin to institute recovery. I suspect that that has contributed in many of the cases in which we are all interested.

I am advised by my officials in OHIP that in most cases involving a recommended recovery from the MRC or a practitioner review committee, once either an appeal has been foregone or the appeal process has been concluded, the recoveries are made, in the main, within a month.

Mr. S. Smith: By way of supplementary, I address a question to the Minister of Government Services. The manager of the central collection services in his ministry has indicated that they do not pursue individuals who have left the province, other than by writing such individuals and advising them of their outstanding obligation. Is it the policy of the province of Ontario that when people owe money to the people of Ontario we have a collection agency in his ministry that basically just writes them to remind them of their debt, but makes no real effort to pursue them and to obtain recovery in the courts of other provinces or by any other means?

Hon. Mr. Wiseman: Mr. Speaker, we do try to recover, but I think when the manager within my department was asked he mentioned that we didn't have a very good rate of recovery when the doctors in question go outside of the province. I don't believe he said we wouldn't try to recover, only that we didn't have a very good record of recovery in those cases.

Mr. Breaugh: Mr. Speaker, I would like to ask the minister, now that he has admitted that the provincial auditor was right, what is he going to do to recover that better than $1 million?

Hon. Mr. Wiseman: The figure I have is approximately $202,000 and, as I said, we will try to recover that. But as the manager said, we don't have a very good rate of recovery when they leave the province. That

is not to say we won't try and put forth all the effort we can to collect those funds.

Mr. S. Smith: I guess this is by way of supplementary, but I really want to correct what the minister has said. I have a quote here attributed to the manager of the collection services. It is possible he has been misquoted, but it is in the provincial auditor's report and it says, "They do not pursue individuals who have left the province, other than by writing such individuals and advising them of their outstanding obligation."

Why would that be a policy? If it is not the minister's policy, would he please state what his policy is? Does he hire lawyers in the jurisdictions to which these people have moved? Does he try to take them into court in those areas as most businesses would try to do? Why doesn't he try to collect debts, both on behalf of other ministries and on behalf of the crown generally in Ontario?

Hon. Mr. Wiseman: Mr. Speaker, I can assure the honourable Leader of the Opposition and all the other members that we will try and do our best to collect these debts. I would think, as you look around to some of the other debts that we collect, we do have a pretty good rating.

Mr. Foulds: I have a question for the Minister of the Environment.

Mr. Conway: Does organized labour really want Bob Rae?

Ms. Gigantes: Do the Liberals really want Pierre Trudeau?

Mr. Foulds: On a point of personal privilege, Mr. Speaker, perhaps I could at least ask the government members to join with me in a moment's silence for our colleagues in the Liberal Party.

Mr. Speaker: Now that your privilege has been taken care of, will you ask your question?

Mr. Peterson: Why have you got Michael Cassidy tied up in the basement?

Hon. Mr. Norton: Now you will be running around the province saying that you believe in the resurrection and the life. That is going to be tough for you, really tough for you, Stuart. It is a conversion.

Mr. S. Smith: Mr. Speaker, the Minister of Community and Social Services says that we must believe in the resurrection and the life, or something of that kind, in keeping with the season and all that. The real problem we have is we are among the very few people in Ontario who actually believed his leader when he said that Joe Clark was raiding the province of Ontario. We will be working against Mr. Clark.

Mr. Speaker: Now back to the question period.

Mr. Foulds: The spirit is indeed upon us.

Mr. Pope: What is the oil price policy in this election? Have you decided yet? Tell Bob Andras.

Mr. Speaker: Order. The real election is out there. This is the question period.

URANIUM MINING
BUFFER ZONES

Mr. Foulds: I have a question for the Minister of the Environment, who I am sure is waiting in eager anticipation.

In view of the very strong recommendation made by the Environmental Assessment Board in its final report in May of this year on the expansion of the uranium mines in the Elliot Lake area—the recommendation that further development of residences within two kilometres of tailing areas not be permitted—and in view of the minister's own communication to the Steelworkers' representatives in Elliot Lake that "it might be prudent to bear in mind the Environmental Assessment Board's categorical recommendation on this issue," doesn't the minister think it is prudent at this time to step in directly and declare a clear policy implementing that EAB recommendation in view of Rio Algom's reapplication to the Elliot Lake town council for rezoning in order to build bunkhouses in the two-kilometre zone?

Hon. Mr. Parrott: I think I was more intrigued with the point of privilege than I am with the question, Mr. Speaker.

Mr. Foulds: Maybe you should be more intrigued with the question, as a minister.

Hon. Mr. Parrott: Well, it didn't get the same response.

We will, as the member knows, prepare a draft response to the report and if he is asking me to take another look at that particular section we are prepared to do so.

Mr. Foulds: A supplementary, Mr. Speaker: The minister does understand, does he not, that he did not reply to that recommendation in his response at all? There is no reply from the government. Surely the minister must be aware that during the course of the hearings and subsequent to the hearings construction of bunkhouses was going on in that two-kilometre zone, construction that is now being objected to by the Steelworkers. Doesn't the minister think it is about time he made a firm stand on that matter?

Hon. Mr. Parrott: Mr. Speaker, as the member knows, I simply said that is a very large report with a great number of recom-

mendations. If he wishes me to take another look at that specific item, we will.

Mr. Wildman: Wouldn't the minister agree that while he is looking at it again, as he suggested he would, and until such time as his ministry is ready to make a response to that recommendation as well as others, Rio Algom should cease and desist from further construction within the zones prohibited, or recommended for prohibition by the Environmental Assessment Board?

Hon. Mr. Parrott: I am afraid the member is making the assumption that second look would take a long time. Not necessarily. I'll get back to the member in due course and give him some indication.

Mr. Foulds: Is the minister not aware that in the health and safety estimates of the Ministry of Labour last night, spokesmen in that ministry considered the two-kilometre buffer zone inadequate? Isn't it about time the minister had a program for monitoring the present bunkhouse facilities in that zone, for establishing a firm buffer zone and for an orderly phase-out of the construction that is already in that zone? Isn't it about time he had a program?

Hon. Mr. Parrott: No. It is reasonable to tell the member I was not aware of the comments of last night in that committee. I am sure, in due course, the Minister of Labour (Mr. Elgie) will make me aware of it. Now that notice has been served I will accept it and will check that out. There is very little more I can say than what I have already said in answer to that question.

Mr. Foulds: Thank you. By the way, that was a too-conservative buffer zone the Ministry of Labour people were talking about.

EMPLOYMENT IN FOREST INDUSTRY

Mr. Foulds: I would like to ask a question of the Treasurer. In view of the slowdown in housing starts because of the high mortgage and interest rates and the adverse effect that is having on the woods industry in northern Ontario, can the minister tell us what steps, if any, the government is planning to avoid the 30 to 35 per cent layoffs predicted in the woods industry by Mel Soucie, the northern economics officer of the federal Ministry of Employment and Immigration, and Tulio Mior, the Lumber and Sawmill Workers Union president?

Hon. F. S. Miller: Mr. Speaker, I am sure the honourable member knows the great slump in the market is basically in the US. The great percentage of the lumber produced is going to the US, therefore any action taken in Ontario would not affect the eventual consumption at all.

The slump in Ontario housing is more related to demand for starts than to any other single factor. I suggest that the figures I have seen recently from the real estate boards have shown that sales of housing in Canada have stayed amazingly buoyant. I even saw figures for Windsor that were high.

Mr. Foulds: Supplementary: In view of the absence of a federal government, does the minister not think some initiative could be taken by the provincial government at this time, particularly in terms of improving Ontario's building code in energy-efficient standards so that some crash winter works program could take place in construction over the winter months to take up at least some of the slack?

Hon. F. S. Miller: I assume the member is talking about amendments or adjustments to existing housing rather than brand-new starts, is he? Those kinds of things do need to be looked at. An expansion of the CHIP program was promised and perhaps even its jurisdiction changed when the federal budget was being discussed.

Mr. Roy: There was nothing in the federal budget about that.

Hon. F. S. Miller: They said they would be putting money into that kind of a program—expanding the CHIP type of program. I am almost sure it is in the basic text. There was some discussion whether it should remain federal or become a provincial jurisdiction.

It is the kind of thing I have to consider as I am going through my warm-up to my own budget. It is going to be even more difficult, I am sure members will appreciate, this year. No matter how I liked or disliked the government's budget, I now don't have any budget to guide me while I do my own.

Mr. Foulds: It will always be difficult. But doesn't the minister realize the problem is immediate, over the next few months? Does he not realize the waferboard plants at MacMillan Bloedel and at Great Lakes have already given notices for two- or three-week layoffs starting December 23 that affect 300 workers. There are projected layoffs in Geraldton. Is there nothing that the Treasurer or the Minister of Industry and Tourism (Mr. Grossman) plan to do over the next three months?

[2:30]

Hon. F. S. Miller: I cannot say there's nothing. A great deal of the export of those products is to the States. I recall the company in Atikokan—I don't know how it's do-

ing—Pluswood Manufacturing, which told me that something in excess of 80 per cent of its production at one time was going to the States. It's awfully hard to replace that kind of a share of your market. Virtually all of the material I have seen coming from our new mills in northeastern Ontario has been bound for the northeastern United States.

One of the things I am happy to see is the comparison in the cost of western plywood with eastern chipboard and flakeboard and particleboard; our product is coming out on the good side. While there is a declining market it is interesting to note that one or two companies even at this moment are considering installation of extra capacity because they do see the long-term market as being good.

SOYBEAN PRICES

Mr. Ruston: I have a question for the Minister of Agriculture and Food. Has the minister taken any action yet to resolve the problem of the soybean industry in Ontario as to the subsidy being paid on rape-seed coming into Ontario by the three prairie provinces? It comes into Ontario for $30 a ton and soybean oil goes out at $73 a ton.

Hon. Mr. Henderson: Earlier this year when the soybean processors and growers got together they recognized that the subsidy on the rape-seed was making it very difficult for them to compete on the local market. At this time the soybean pricing people got together with the federal Minister of Agriculture. In turn, the minister appointed a committee and this committee went into it in detail. The effect is that it doesn't leave any room for the soybean producers to keep up with the prices.

This committee suggested to the federal Minister of Agriculture several weeks ago that consideration be given to give the same subsidy to the oil produced for export by our soybean producers. The federal minister went into this in detail and has concluded that if he starts subsidizing our soybean oil, he would be getting into difficulty with the American soybean industry. It would appear that we are hooked with this problem for an additional three years because of a program initiated by the government of a few years ago.

Mr. Kerrio: That's pretty weak.

Hon. Mr. Henderson: Maybe it's pretty weak, Mr. Speaker, but it's factual.

Mr. Ruston: Supplementary: Since the program is also in co-operation with three Conservative governments and one NDP government, surely the Minister of Agriculture and Food, acting for the farmers of Ontario, should have a little power to go to Ottawa and tell them to start changing something.

Hon. Mr. Henderson: Mr. Speaker, the member knows full well what the agreement is. He knows full well the restraint programs that our federal colleagues have been carrying out and he knows full well that there is just not the money for the subsidy that we think the soybean producers should get.

AID TO CHRYSLER

Mr. Cooke: I have a question for the Minister of Industry and Tourism. In view of the fact that yesterday's Financial Post carried an article indicating that according to Ontario government estimates, a Chrysler bankruptcy would push unemployment in Windsor to 40 per cent; that 15,000 direct jobs would be lost and about 30,000 jobs indirectly lost; that UIC payments as well as lost revenue would cost governments $1 billion; in view of the fact that there is a great deal of uncertainty in Windsor right now as to whether or not the payroll of the workers will be met after January 15, would the minister clearly get that information and present it in a statement to the Legislature before we adjourn Friday for Christmas so he can assure and reassure the people of Windsor and the retailers in Windsor who are very much afraid of what's going to happen over the next few weeks, especially during the Christmas season and with the uncertainty that's affecting the retail industry even more? Would the minister make a statement?

Hon. Mr. Grossman: I would be happy to rewrite and present the statement for this House. I can tell the member that the statement would roughly confirm the figures he read into the record a moment ago. The information he indicated a moment ago is basically accurate. The estimates made by the federal government and by ourselves indicate that would be the impact of Chrysler of Canada going down. Anything I might add by way of a statement would only confirm those figures and the member may take this answer as a statement as to the impact of Chrysler going down.

I can tell the member that it is because of the impact he has just stated, in terms of unemployment and the cost to the taxpayers in the event Chrysler went down, that we have—just to clarify the record—strongly supported proper and carefully considered assistance for Chrysler, in the event Chrysler Corporation in the United States is saved by the Congress of the United States.

I should add that my information is that Congress is scheduled to finish this Friday and take its customary one-month break. Lord knows why it is such a short period of time, but they take only one month off. I am informed that if the Chrysler legislation does not pass the Congress by December 21, it is likely that Congress will be reconvened in the first week of January solely to consider the Chrysler situation. So if there is assistance by the American government it will be in place before the date the member referred to, which would be the date when Chrysler may run out of money.

Mr. Cooke: Supplementary: Could the minister make a statement and specifically give us the details on the financial situation and the payroll, in view of the fact that when we contacted Chrysler Canada this morning, the public relations people had no idea what was going on and referred us to UAW local 444 and said they would have more up-to-date information?

Secondly, would the minister make a statement as to what the Ontario government position is on the bottom line, on what conditions he wants to see to protect the auto workers of this province in any federal government assistance to Chrysler in Canada? We have not heard that kind of information from this government and its role in the negotiations is fuzzy, to say the least.

Hon. Mr. Grossman: With respect, we went over the matter of Chrysler in my estimates; we have gone over Chrysler here on several occasions in the House. I know it is easy for the member to say our role is fuzzy. I have made it quite clear that no government could have had more input into the national government discussions than we have. No government could have given them more specifics as to what we will require in the event any Ontario taxpayers' funds are required.

There have been no direct negotiations between ourselves and Chrysler because those negotiations would not be very useful unless the main negotiations between the national governments are in place.

If the member would be happy to have me take the time tomorrow or on Thursday to give a statement to the House reconfirming the statistics and the position we would like to see develop and the position we have been taking, I will be happy to accommodate him.

Mr. S. Smith: By way of supplementary: we would certainly look forward to such a statement from the minister. May I ask the minister whether he has informed the people in Ottawa that any participation by Ontario —a participation which we support, by the way—would be accompanied by the placing on the board of directors representatives of the government of Ontario, to be sure that the money being utilized is utilized basically in the long-term interest of the people of Windsor, as well as the people of Ontario generally; that none of the funds find their way across the border; that parts are sourced properly in this province and in this country, to be more specific?

In general terms, is the minister prepared to make that demand as one of the contingencies upon which any assistance would be based, that is representation on the board of directors?

Hon. Mr. Grossman: We haven't given consideration to that particular item at this time. I should say, ultimately, if we were to consider that it would only be something we would require in the event that we had any reason to believe there was an opportunity for the funds to slip away to the United States or that they not be applied for the purposes for which we have given the money.

Mr. S. Smith: Look what happened in England.

Hon. Mr. Grossman: Yes, but I would remind the Leader of the Opposition that he didn't make that request at the time we gave a grant to the Ford Motor Company.

Mr. S. Smith: It's a totally different situation.

Hon. Mr. Grossman: It is not a bit different in terms of the participation of the government of Ontario.

Mr. S. Smith: Totally different; it's the same people who took money and left England.

Hon. Mr. Grossman: We have made it quite clear that before we would commit any grant dollars from this province we would have to ensure that Chrysler had received enough financial assistance for it to be viable for the next period of time.

Given a healthy company or a company that had a reasonable prospect of being healthy I have made it quite clear that we would approach it on basically the same grounds as we approached the Ford situation which was, given a company which is looking at some new investments in this province, what kind of direct grant or other assistance might we give in order to get specific new investment in this province?

I've made it quite clear that we were not looking to assist in any prop-up mechanism. We were not there to stuff money into

Chrysler in order to make sure it gets over its short-term financial crunch. The role of this province would be direct investment to ensure new plants, overhauling of old plants and ensuring that those jobs would remain in those modernized plants. Given that situation—

Mr. S. Smith: Watch them like a hawk.

Hon. Mr. Grossman: I say to the Leader of the Opposition, at the time of the Ford situation, which was the equivalent because we were giving money for a new plant equally, he didn't raise that situation.

Mr. S. Smith: Come on, all you have to do is make sure they build the plant.

Hon. Mr. Grossman: The Leader of the Opposition didn't say we needed a position on the board to make sure the Ford Motor Company used the money for the reasons we set out.

I should also remind him—before he runs out to the TV cameras—that what we did in the Ford Motor Company situation was simply have them draw down the money as the work commenced on the factory. I know if he's been to Windsor he's seen it under way. As they prove to us they're doing the work, we hand over the money. It would be the same sort of situation with Chrysler.

If the member perceives that the NDP position—having our people on the board—is receiving any sort of public acceptance then I know he will adopt that position, so I'm not surprised. He didn't take it at the time of the Ford grant. He shouldn't adopt it now just because the NDP position seems to be currying some favour with the public.

Mr. Speaker: The Minister of the Environment has an answer to a question asked previously.

CANADA METAL COMPANY LIMITED

Hon. Mr. Parrott: In response to a question asked yesterday by the member for St. George (Mrs. Campbell) regarding the Canada Metal Company, the first deadline on the Canada Metal control order was December 15, 1979. The member is aware of that.

The company was to submit complete results of stack emission tests on the Roto-Cast operations, which is the brass foundry segment of their plant. They submitted some preliminary data for the test results last week. The final completed report and test results were delivered to the central region on Monday—that is two days after date. Ministry staff is now assessing this report to check its accuracy and to see if the lead emissions from the brass foundry are significant.

If the test results indicate that the total lead emissions do not comply with the Environmental Protection Act then a bag house or equivalent control mechanism must be installed on the Roto-Cast section by March 31, 1981. The control order was issued on November 15 and the final completion date of all aspects required in the order is June 30, 1981.

In summary, they did comply with the first date save for two days and, of course, we were quite prepared to accept that two-day delay.

Mrs. Campbell: Supplementary: When would the minister's staff be in a position to report to the minister, and through him to the House, on their findings as a result of the study of the data supplied?

Hon. Mr. Parrott: Mr. Speaker, if the member would accept it it will be certainly after the House adjourns for this session and before we reconvene for the next. Therefore, I'll be quite prepared within the month of January to supply that information to the member in a personal way by letter.

ALLEGATIONS RE BRANT COUNTY BOARD OF EDUCATION

Mr. Nixon: Mr. Speaker, I have a question of the Attorney General relating to the allegations made by the member for Brantford (Mr. Makarchuk) about improprieties in the spending of the Brant Board of Education.

Since, according to the member for Brantford, the basis of the charges was in information provided for him from the local crown attorney, can the Attorney General make a statement to the House about any such information? Since the Minister of Education (Miss Stephenson) said yesterday that anyone who has information about this matter should bring it forward, would he not think the same advice should apply to him and his officers?

[2:45]

Hon. Mr. McMurtry: I am not aware of the member's allegations in detail with respect to the alleged financial impropriety. I thought from the member's question yesterday to the Minister of Education that there had been some suggestion of an investigation of a criminal nature being conducted into the affairs of this particular board of education. I have confirmed overnight that at no time has there been any such investigation and at no time has the local crown attorney suggested such an investigation. He assures my office that at this point he has absolutely

no reason to believe such an investigation is warranted.

Mr. Nixon: Supplementary: Will the Attorney General then explain the basis of the statement made by the member for Brantford that the information came to him from the crown attorney?

Hon. Mr. McMurtry: Again I am a little handicapped, not knowing precisely what the member for Brantford said. I do know there was a conversation on some social occasion between the member for Brantford and the local crown attorney about the overall administration of the affairs of the board of education.

I have not spoken directly to the crown attorney involved but our director of crown attorneys has spoken to him and has been assured that at no time did the local crown attorney suggest any impropriety that would involve any degree of criminality.

Mr. Nixon: An additional supplementary, Mr. Speaker: Would the minister not think he should consult with the Minister of Education since this is an important matter brought forward publicly as an allegation, without any foundation that I am aware of, by the member for Brantford? Would he not think the air should be cleared in this respect, particularly since one of his employees, the crown attorney, has been involved in almost every press report?

Mr. Breithaupt: Is the conversation denied?

Hon. Mr. McMurtry: No. There was a conversation in general about the board of education, but there was no suggestion that there was a criminal investigation or that any would be warranted. It was the suggestion that the local crown attorney may have made such a statement that gave me great concern.

The Minister of Education did bring this matter to my attention towards the end of last week. I am just not sure in what manner the member wants me to clear the air. My concern was and is whether or not the local crown attorney had suggested a criminal investigation should be undertaken, or was in fact in place. I have been assured that at no time did he suggest any such investigation had taken place or should take place.

Beyond that, I just don't think what the local views might be as to the effectiveness of the local board of education really falls within my purview.

AUTO INDUSTRY LAYOFFS

Mr. Breaugh: Mr. Speaker, I have a question for the Ministry of Industry and Tourism. Is the minister aware that as of today we have about 1,500 auto workers on layoff in the Oshawa area, 210 on indefinite layoff at Houdaille Industries in Oshawa and another 300 indefinite and 1,000 temporary layoffs at the Chrysler trim plant in Ajax? If he is aware of those layoffs, would he share with us what contingency plans he has for these two major parts plants in the Oshawa area?

Hon. Mr. Grossman: The Ministry of Industry and Tourism doesn't have programs to supplement wages, if that is what the member is looking at. He may direct that sort of question to a reference under either the union contract or to the federal government Department of Labour.

We have no programs which are tilted towards supplementing income when there is a layoff period.

Mr. Breaugh: Supplementary, Mr. Speaker: Is the minister then saying that he has made no recommendations about a transitional assistance benefits program for the area, or that he has not attempted to get new contracts from the parts sector for either one of these two plants, or that he probably doesn't give a damn at all?

Hon. Mr. Grossman: I'm not saying either two or three. In the case of two, of course we tried very hard to continue to get new parts programs for those plants. I would remind the member—and I think I'm correct in saying this—the last time I looked at the figures General Motors had been the best of the big three in terms of giving Canada a fair deal in auto parts. In fact, I think GM is in rough balance in terms of auto parts, under the auto pact. GM is looking after their Canadian responsibilities pretty well, more or less, in terms of auto parts and such things as might help in those plants.

In terms of item three, I can assure the member I do give a damn and we've spent a lot of time looking into the situation and talking to everyone involved.

In the case of the first item, which was a TAB program, as the member knows that was a federal program which was instituted several years ago—I think it was either 1974 or 1975. In those cases, the situation, in terms of sheer numbers, was a lot more critical than the situation is at the present time.

As the member has acknowledged, some of those layoffs—1,000 of them, I think—are temporary and they will depend, literally, on how sales go from week to week in North America. There is little we can do about the sales of GM throughout North America.

LAKE SIMCOE-COUCHICHING REPORT

Mr. Gaunt: Mr. Speaker, I have a question of the Minister of the Environment. Will the minister advise the House as to the status of the Lake Simcoe-Couchiching report, which was completed last April, after two years of meetings? Has it been presented to cabinet? If not, why not?

Hon. Mr. Parrott: No, it hasn't been presented to cabinet as yet. I guess the only defence I can offer as to why not is because so many other things have been at cabinet. Hopefully, that will get to cabinet and a decision will be made in the month of January.

There was some work required of our ministry prior to submitting that report. I had a visit with the appropriate staff some time last week. It is in hand and it should be going forward to cabinet in the month of January.

Mr. Gaunt: Supplementary, Mr. Speaker: Why, during the preparation of the strategy report, did officials of the Ministry of the Environment push for the target of 103 metric tonnes as the maximum phosphorus loading limit for Lake Simcoe when the report itself makes it clear that this target is self-defeating?

Hon. Mr. Parrott: As I recall discussions both with the committee and among ourselves, I don't think it is quite appropriate to say we pushed for that 103 metric tonne limit. I think we were aware of the tremendous difficulty of getting below that figure.

As a matter of policy, we would like to be below that figure. There was a great number of people who could certainly support a lower number than 103 metric tonnes. As a matter of policy, so would we. It's easy to accept that position. We also have to recognize the tremendous costs that go along with it.

Before the member asks me I will also say we recognize the tremendous cost if we don't. I don't deny that.

Consequently, because of an excellent presentation by the local committees to a cabinet committee and with the help of the other ministries we're going to try to respond to that report in detail in the near future. I don't want the honourable member to take it as read that we're supporting the 103 metric tonnes as a ministry position, even though logic could assume that from the initial discussions. It is my personal belief that we should do better than that.

MEDICAL SERVICES IN NORTHERN ONTARIO

Mr. Wildman: I have a question of the Minister of Northern Affairs. Is he aware that the Lakehead Social Planning Council has just published the findings of its health transportation survey showing that in 1977 750 Thunder Bay district residents had to travel to Toronto and/or Manitoba hospitals and 183 to Minnesota hospitals for care, and that it has recommended that OHIP pay for round trips for patients and escorts?

Is the minister also aware that his colleague, the Minister of Health, in a letter to me has again refused to even consider having OHIP cover these costs? If so, what measures is he, as the minister responsible for co-ordinating government policy for northern Ontario, prepared to take to assure equal access to specialized medical care for residents of the north?

Hon. Mr. Bernier: Mr. Speaker, let me point out to the honourable member that I have not seen the report to which he refers. I would say to him that it's not necessary for the people of northern Ontario to go to Minnesota—to other parts of Canada, yes. I do realize there is a great attraction there with the facilities at Rochester, Minnesota. I think there is a need for the facilities and the expertise there.

What we can do with the excessive costs is something we have been looking at for considerable time within my ministry. We have not had any direct contact with the Ministry of Health but I can assure the honourable member we will be discussing it with them.

Mr. Wildman: Supplementary: In contacting the Ministry of Health the minister may find that his colleague believes nonemergency trips are a social problem rather than a medical problem and thus should come under the jurisdiction of the Ministry of Community and Social Services. If that is the case, if that's the government's position, what action is he prepared to take in getting these two ministries together to implement the report's recommendation that either the government establish a regularly scheduled monthly or bimonthly air or land shuttle service to transport nonemergency cases, or that a budget be provided to the Thunder Bay transportation officer for transportation costs for nonemergency cases?

Hon. Mr. Bernier: I think the honourable member is very much aware that there is excellent air transportation services throughout all of northern Ontario. There is no necessity for the special type of service to which he

refers. We will be looking at the whole aspect of the needs of northern Ontario as they relate to the very special cases and when there are emergencies.

CALAND ORE COMPANY LIMITED

Mr. T. P. Reid: I have a question of the Minister of Natural Resources. Has he, the Minister of Northern Affairs, the Treasurer, or the Premier (Mr. Davis) been in touch with Inland Steel Company in Chicago in relation to Caland Ore Company Limited's premature closing down in Atikokan? Has he been in touch with that company to ask them to continue mining until that ore body at Atikokan is completely mined out? Has there been any discussions at all with them?

Hon. Mr. Auld: There have been discussions with the local manager—

Mr. T. P. Reid: Nat Scott.

Hon. Mr. Auld: Yes, Mr. Nat Scott. I believe some of my officials have been or are in touch with Inland Steel in the States. I haven't any results to report, other than the fact that originally they indicated that because of the softening of their market to the US automotive industry the operation of the pellet plant was going to be shortened, as the honourable member is aware, and will probably close at the end of April or early May, rather than later in the summer as had been anticipated several years ago. I will be delighted to report to the House any further news as it comes along.

[3:00]

Mr. T. P. Reid: Supplementary: I trust the minister will pursue this as aggressively as he can. Can he report, as I asked in a letter to him, on exactly how much mineable or economic ore is left in the ore body and will not be mined at all by Caland and will be left there and become completely uneconomic for any other mining company to move in and mine?

Hon. Mr. Auld: Mr. Speaker, I have that information. I think I can give it in a general way to the honourable member and the member for Port Arthur (Mr. Foulds), who has asked a similar question.

The indication that was given of some 16 million tons of ore is incorrect. The studies done both by our own ministry and by Caland indicate that it was something in the order of 5,000 to 10,000 tons, without an incredible amount of stripping, because of safety reasons, because of the shape of the pit.

I think perhaps I would be wiser to make a statement on this than attempt to give a full answer when I haven't got all the details in front of me. I am hoping to be able to do that before the close of the session.

Mr. Speaker: The honourable minister said he would be making a statement about it. If the member has a brief supplementary I will allow it.

Mr. Foulds: Thank you, Mr. Speaker. Can the minister explain when he makes his statement why his ministry officials have tamely and so easily accepted the suggestion of Caland that there are only 5,000 to 10,000 tons of ore there, when Steep Rock Iron Mines, which owns the whole body and is leasing to Caland, as early as 1973 in their annual report to shareholders was claiming—and I quote from memory but having read the report just yesterday—that there would be 16.3 million tons of ore left when Caland terminated its operations in 1973?

Hon. Mr. Auld: I anticipate making reference to that question in my statement, as the honourable member may recall when we discussed this matter with Mr. Cook of the Steelworkers and others last week.

CLASS STRUGGLE GAME

Mr. M. N. Davison: Mr. Speaker, as a working class member of the Legislative Assembly I have a question for the Minister of Consumer and Commercial Relations.

Considering his well known and cosy relationship with the corporate elite of our society, has the minister been in consultation with, or did he indeed advise, the president of Eaton's on that company's banning of the game Class Struggle? Does the minister not find it ironic and peculiar that there are still big business games on the shelves that encourage people to lie, steal and cheat their way to the top, when this most excellent game has been banned?

Hon. Mr. Drea: Mr. Speaker, I will give that question the consideration and the intelligence it requires.

PUBLIC HOUSING

Mrs. Campbell: My question is to the Minister of Housing. In view of the fact persons belonging to the third party have been organizing meetings across Metro, addressing Ontario Housing tenants and advising them, presumably as a result of the minister's negotiations with Metro and a report prepared by Metro staff in conjunction with the minister's staff, that the sale of Ontario Housing properties in Metro is contemplated which will necessitate the relocation of the

tenants in such housing, would the minister make a clear and unequivocal statement in this House to calm the very real fears in the minds of people in this Metro area?

Hon. Mr. Bennett: Mr. Speaker, I had many discussions with the Metro chairman, the mayor of this municipality and with individuals representing other types of housing in the area of Metropolitan Toronto. It doesn't stop at the borders of Metropolitan Toronto, it continues across Ontario as it relates to the 93,000 units the people of Ontario happen to own which house people less fortunate than some sitting in this Legislature.

It has been very clear that both provincial and federal policies on where we are going in public or publicly-supported housing over the next number of years is being analysed carefully. As I said at the time of the estimates of the Ministry of Housing, one thing we had been able to do over the last 20 years in Ontario, without the greatest foresight but with the assistance of federal, provincial and municipal governments, was to develop large housing projects which do not bring a great deal of credit to either the community they are in nor to the government that supplied them, nor ultimately to the tenants who reside therein.

With the non-profit housing corporations we have established in Ontario, through the municipalities and other organizations, we are looking at some way of reducing the number of public tenants we have in the various projects across Ontario, more specifically in the major cities.

It was not our intention, except where there might be some single-family ownership units provided by the province or through Ontario Housing Corporation which we could dispose of in the free market system, we might sell those units—and I add the words "we might sell them." However, we are looking very seriously at trying to achieve this goal, in conjunction with the federal government and in programs implemented recently in allowing people of higher incomes to remain within the public housing portfolio. We will get a better blend and a better cross-section of the community, and as a result we could find it will have rewarding experiences both socially and from a protection point of view.

We have indicated, federally, provincially and municipally, that if some of our units should be used for people of higher income factors within the public ownership portfolio at the moment, that a similar if not a greater number will be secured under contract arrangements with the private sector under rent-supplement programs, further dispersing people currently supported through the public purse into more projects and more areas of our community.

We hope to reduce some problems we have experienced in these large projects in Metro Toronto, Ottawa and other communities in the province. If we succeed in doing that we will have great rewards, first for the tenants who reside in the major housing portfolios and second to the coffers of the provincial and federal governments.

REPORT

STANDING RESOURCES DEVELOPMENT COMMITTEE

Mr. Villeneuve from the standing resources development committee presented the committee's report on the annual report of the Ontario Highway Transport Board for 1977, and moved its adoption.

On motion by Mr. Villeneuve the debate was adjourned.

MOTION

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that the House meet Wednesday, December 19, in the chamber at 10 a.m., with a luncheon interval from 1 p.m. until 2 p.m., with the routine proceedings to be called at 2 p.m.

Motion agreed to.

INTRODUCTION OF BILLS

REGIONAL MUNICIPALITY OF YORK AMENDMENT ACT

Hon. Mr. Wells moved first reading of Bill 206, An Act to amend the Regional Municipality of York Act.

Motion agreed to.

Hon. Mr. Wells: This bill is for first reading only at this time. It represents an amendment to the Regional Municipality of York Act requested by the region.

The proposed legislation would transfer the responsibility for solid waste disposal within the York region to the regional council. The legislation would grant an area municipality the right to an appeal to the Ontario Municipal Board if it objected to the acquisition of a particular solid waste disposal site within the area municipality. We have included this appeal in the legislation so that the area municipalities in York region would have rights similar to those enjoyed by area municipalities wherever regional councils are responsible for solid waste disposal.

However, the Minister of the Environment (Mr. Parrott) and the government have stated their wishes to streamline the hearing process regarding solid waste disposal site hearings. It may be that in the future policy and legislation will be introduced where there would be only one hearing under either the Planning Act or the Environmental Assessment Act.

HOME BUYERS' PROTECTION ACT

Mr. Isaacs moved first reading of Bill 207, An Act to provide Protection for the Buyers of Homes.

Motion agreed to.

Mr. Isaacs: The Home Buyers' Protection Act would require vendors and realtors involved with the sale of new and previously owned homes to provide buyers with a signed statement of facts about various aspects of the homes.

The bill provides that the seller of the home or the realtor acting on behalf of the seller shall provide to the buyer of the home a document which sets out the following facts: the zoning of the land; the official plan designation of the land; the type and quality of the water supply provided to the home; the type and condition of the sewage disposal facilities available to the home; any record of flooding which has affected the home; the storm drainage facilities provided to the home; the location of existing and planned schools in the area of the home—

Mr. Speaker: Order. Surely the honourable member knows that all that is required and all that is permitted is a very brief explanation as to what the bill is attempting to achieve. We don't want you to read the bill.

Mr. Isaacs: Mr. Speaker, there are just two more provisions that the bill contains, and they are distinct provisions.

Mr. Speaker: If you can capsulize it in one sentence I'll allow it.

Mr. Isaacs: If the information required by the bill is not provided to the buyer of the home the bill provides conditions whereby the buyer may cancel the agreement to purchase the home.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 374, 378, 379, 380, 391, 392 and 393; and the interim answers to questions 375, 376, 377 and 381 standing on the Notice Paper. (See appendix, page 5679.)

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, with the consent of the House I would like to suggest a slight change in the business of the House today from that which is printed on the Order Paper.

I thought we would proceed with some third readings and then second and third readings of some private bills, followed by Bill 204; and then go to Bill 127, An Act to revise The Pits and Quarries Control Act for this afternoon, followed then by Bills 202 and 203, either this afternoon or this evening as required. Then we would go to the budget debate.

[3:15]

Mr. Speaker: While I am wishing the first clerk assistant a happy birthday, maybe he could call the first order.

ORDERS OF THE DAY

THIRD READINGS

The following bills were given third reading on motion:

Bill 77, An Act to amend the Crown Timber Act.

Bill 154, An Act to amend the Regional Municipality of Hamilton-Wentworth Act, 1973.

Bill 173, An Act to amend the Municipal Act.

Bill 174, An Act respecting the Composition of the Council of the Town of Midland.

Bill 176, An Act to amend the Architects Act.

Bill 180, An Act to amend the Unified Family Court Act, 1976.

Bill 194, An Act to amend the Ontario Unconditional Grants Act, 1975.

Bill 195, An Act to amend the Regional Municipality of Peel Act, 1973.

Bill Pr5, An Act respecting the City of Toronto.

CITY OF SARNIA ACT

Mr. Blundy moved second reading of Bill Pr18, An Act respecting the City of Sarnia.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF HAMILTON ACT

Mr. Mackenzie moved second reading of Bill Pr21, An Act respecting the City of Hamilton.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF NORTH BAY ACT

Mr. Nixon, on behalf of Mr. Bolan, moved second reading of Bill Pr28, An Act respecting the City of North Bay.

Motion agreed to.

Third reading also agreed to on motion.

SARNIA PORTABLE EQUIPMENT RENTALS LIMITED ACT

Mr. Blundy moved second reading of Bill Pr31, An Act to revive Sarnia Portable Equipment Rentals Limited.

Motion agreed to.

Third reading also agreed to on motion.

TOWN OF COBOURG ACT

Mr. Rowe moved second reading of Bill Pr33, An Act respecting the Town of Cobourg.

Motion agreed to.

Third reading also agreed to on motion.

LABOUR RELATIONS AMENDMENT ACT

Hon. Mr. Elgie moved second reading of Bill 204, An Act to amend the Labour Relations Act.

Hon. Mr. Elgie: These are amendments to the provisions of the Labour Relations Act which require province-wide bargaining by trade in the industrial, commercial and institutional sector of the construction industry, not in residential construction.

These provisions passed in 1977 resulted in a compulsory massive restructuring of collective bargaining in construction. Some 250 bargaining sessions were reduced to 25 bargaining sessions, with the consequence that those bargaining were able to more rationally approach that difficult task.

As a result of the experience with the first round of provincial bargaining, and in view of the rapidly approaching 1980 round of bargaining, certain changes in the province-wide bargaining scheme have been proposed. I should point out that these recommendations result from proposals put to me by the construction industry review panel.

This review panel is advisory to me and is a joint labour-management advisory body. As such, it represents the positions of both labour and management, in an attempt to continue to improve labour relations in the construction industry. I am advised by the panel and by members in industry that these recommendations have broad-based industry support.

There are three basic provisions in these amendments, and they reflect a balanced tradeoff between labour and management. The first provision extends the bargaining rights of the various unions to which the provincial bargaining applies. Currently, there are a number of employers who have only recognized a union in particular areas of the province. By this amendment, such employers would be deemed to have recognized the other locals of the same craft union throughout the province.

It must be emphasized that this only affects employers who are bound by an agreement with the union, and only in the industrial, commercial and institutional sector of the construction industry.

The second provision in the bill prohibits selective strikes and lockouts. These occurred in 1978, as you are all aware, and proved to be very disruptive to good faith bargaining. By this provision, if a provincial agency calls or authorizes a strike then all the locals comprising the provincial agency will be required to call a strike.

The remaining provision imposes a 30-day time limit on the ratification of memoranda of settlement. By this provision, the settlement must be either accepted or rejected within 30 days. It is felt that this period of time is ample time to explain and rule on any proposed settlement. It will, in our view, thus lead to increased certainty as to the status of the bargaining relationship following the completion of negotiations.

Mr. Van Horne: Mr. Speaker, I would like to address some comments to this bill. I think we all recognize that the most important aspect of the bill is the requirement that an employer who recognizes a union in one part of Ontario will be deemed to recognize that union throughout the province. This recognizes the mobile nature of the construction industry and appears to be complementary to, if it was not in fact envisioned by, Bill 22 which brought about province-wide bargaining on a single trade basis within the construction industry.

We note the bill has the support of the construction industry review panel, as mentioned by the minister, and it also seems to be favoured by the many representatives of employees and employers in the construction industry with whom I and members of our caucus have spoken in the past several weeks. I would make brief reference to the Christian Labour Association of Canada, with which we have spoken; the Mechanical Contractors Association of Ontario and the members of the construction industry review panel, to

whom we have also spoken. Without exception there is general support for this, even though there have been some concerns which I will bring to the attention of the minister, and to you, Mr. Speaker, in these next few moments.

I would point out that my colleagues from the Kitchener area—the member for Kitchener (Mr. Breithaupt), Kitchener-Wilmot (Mr. Sweeney) and Waterloo North (Mr. Epp); and also the member for Wellington South (Mr. Worton)—all four have been spoken to by small contractors who have concerns. I would like to expand on that just briefly and point out that in one instance the member for Kitchener was in receipt of a copy of a letter signed by Mr. Frank H. Sheppard, which was forwarded to the minister and which reflected concerns of the general contractors in the Grand Valley Construction Association and that general area.

I think it fair to ask the minister in his concluding remarks, if indeed he intends to respond, how he intends to respond to the concerns raised by the members of the Grand Valley Construction Association and those other members in the Kitchener area who have also expressed concern to my colleagues.

Let me just say next that we do see three contentious issues with respect to bargaining in the construction industry which are not addressed by this bill. We would ask the minister's indulgence in considering them and also in responding to us as soon as possible about these concerns.

The first concern we have is the question of the legality and desirability from a public policy point of view of subcontracting and affiliation clauses in agreements between unions and employers in this industry. There are agreements whereby a group of employers agree they will employ only members of a particular union and they will employ only contractors who employ members of a particular union or a particular group of unions.

I do not believe the Labour Relations Act or any other legislation addresses this problem specifically, although I believe there has been a decision of the Ontario Labour Relations Board which touches on this matter. I believe these types of agreements could have wide-ranging consequences in the construction industry affecting the rights of both organized and unorganized workers.

I would suggest the minister establish an industrial inquiry commission under section 34 of the Labour Relations Act to examine all aspects of these clauses, not just their legality but their overall effects. Again, Mr. Speaker, I would ask the minister's indulgence and urge him to do this as soon as possible.

The secondary item of concern which requires further examination is that of secondary picketing. As I understand it, the Labour Relations Act neither sanctions nor forbids this practice. I believe the time has come to see whether the provisions of the Labour Relations Act and the interpretations of the act by the labour relations board deals with this problem in a clear and satisfactory manner. I would ask that the minister also take a look at that problem of secondary picketing.

[3:30]

The third issue which is touched on by section 1 of Bill 204, concerns the application of the bill only to the industrial, commercial, and institutional sector to the exclusion of the electrical power system sector. When we were debating Bill 22 the Liberals proposed that the power systems be included in the bill as most of the contractors and employees involved in that sector also worked in the industrial, commercial or institutional sector. Our proposal was defeated by the government and members of the third party.

However, the government did appoint an inquiry headed by Dr. S. Ronald Ellis of the York University law school to examine the problem. The study done by him was known as the Ontario Electrical Power Systems Sector Inquiry Commission report, or the Ellis report. Dr. Ellis did a thorough report on the matter, but the government has seen fit not to act on the report, at least as far as we know at this point. We believe the government should have moved on this problem back when we were discussing Bill 22, and we certainly feel that, not having done it then, it should have done it between that time and now.

In summary, we feel Bill 204 is important enough to be dealt with as expeditiously as possible, even though I have listed some concerns we have, particularly when one is aware of the problems of dealing with the negotiating process in the year 1980. We understand no non-union workers will as a direct result of the action of this bill be immediately unionized. We understand it will not affect residential contractors. Even though we have brought to the minister's attention the concerns about subcontracting, picket lines and the lack of progress on the Ellis report, we will support this bill because we feel it is in the best interests of the greatest number in our province.

Mr. Mackenzie: Mr. Speaker, I see the bill as a continuation of what I guess could be

called a new era in collective bargaining in the construction industry. While I have some unease at giving up any tools the workers may have, including the localized strike, I think it is a further attempt at a useful rationalization. I think the trade-off is probably as effective or more effective for the construction workers as it is for the construction industry. I think the bill should be given a chance. We support the bill.

Hon. Mr. Elgie: Mr. Speaker, the member for London North raised several concerns, and I will try briefly to deal with some of them. In particular he asked about the concerns expressed by a number of small contractors making up the Grand Valley Construction Association, who are also members of the Ontario General Contractors Association.

I tried to make it clear in my opening remarks the panel has confirmed that the recommendations I have put forward have broad general support. That is not to say they have universal support. This group from Grand Valley, which I met this morning in my office, does have concerns about the impact of this legislation on it. These are contractors who operate union in some board areas and non-union in others.

I have to be frank. As I have told the member before, it will have some impact on them; but I don't believe it will have the impact they are concerned about. Frankly, in the collective bargaining process the employees will have the same concerns as the employers about retaining work in all areas. I think the collective bargaining process, as it has done in other areas, will establish wage differentials depending upon the board area involved.

Mr. Haggerty: Non-union?

Hon. Mr. Elgie: I am talking about the organized sector, where there are differential wage rates for different board areas. I think common sense and a bit of self-interest will prod those negotiating to recognize the realities of certain areas. It is my belief in that regard that these particular contractors will not have their business impeded in any significant way. One member of the panel who knows the industry particularly well advised me there would be something less than a dozen companies that might have serious concerns. To date, that has, indeed, been the case.

To further substantiate the feeling that has been made clear to me, the labour relations bureau of the Ontario General Contractors Association has written a letter to me clearly supporting the contents of this legislation, speaking on behalf of general contractors throughout the province. I have to assume that labour relations bureau is speaking on behalf of the majority of contractors in this province and are seeking to act in the best interests of all parties in the province.

The member for London North raised three other issues that he referred to as contentious issues. The first has to do with subcontracting clauses and non-affiliation clauses. As I'm sure the member knows, they are not quite the same thing. In any event, both subcontracting clauses and non-affiliation clauses have, in this jurisdiction, been declared legal. By that I mean that the Ontario Labour Relations Board commented on a case before it and that decision was taken to the divisional court for appeal. At appeal the position that it was legal to have such contracts was declared.

At the present time, many of the trades in provincial bargaining do have subcontracting clauses, but there is no provincial non-affiliation clause. Therefore, I think it would be inappropriate at this time to comment on the appropriateness of a clause which the court has held to be legal and which is not yet part of any provincial agreement.

The member did, however, suggest I should consider an industrial inquiry into these. Without giving any commitment or any suggestion that something like that might be forthcoming, I have no hesitation in saying I will be glad to review it and I will be happy to let the member know the results of that deliberation.

The member referred to secondary picketing. It is my belief that secondary picketing is not a problem in this province. Picketing in this province is not dealt with under the Labour Relations Act because we have established over the years a body of jurisprudence in common law which has fairly well categorized the limits of picketing. To my knowledge, secondary picketing has not been a problem in this province, because in common law it is not permissible.

If the member has other information I would be pleased to hear about it. I do know there are some groups in the community that feel there should be a code of picketing. But frankly, advice given to me is that there is indeed now a code of picketing; even though it's not codified and not in the Labour Relations Act there is a common law code of picketing practice.

The member for London North further made reference to the Electrical Power Systems Construction Association and the Ellis inquiry into the electrical bargaining sector. Following that report, as I'm sure the mem-

ber is well aware, there was considerable voluntary restructuring with Hydro, which had previously had a majority interest in the EPSCA bargaining group, giving up that majority and appointing Dr. Ellis as the new chairman of the EPSCA bargaining group to hold the deciding vote.

I like to feel that for the time being there has been considerable voluntary effort to restructure that sector. I'm satisfied that good progress has been made to date.

We will continue to meet and to discuss it, as I have been doing over the past year, but at the moment I want to assure the member that in my opinion, and in the opinion of advisers in my ministry, there has been considerable satisfactory restructuring. Dr. Ellis, who wrote the Ellis report, is now the chairman of that new EPSCA bargaining committee, and I am satisfied that there is no need to intervene at this time.

Mr. Van Horne: I rise on a point of order.

Mr. Deputy Speaker: What is your point of order?

Mr. Van Horne: The minister was questioning one of my comments, and I would like to respond. If it is not a point of order, I would seek the Speaker's direction.

Mr. Deputy Speaker: Is the bill going to committee?

Mr. Breithaupt: It probably won't have to.

Mr. Deputy Speaker: The member for London North, briefly.

Mr. Van Horne: Yes, very briefly. The minister asked if I had any information I could give him with regard to picketing. I would simply submit that this bill came down the line in rather short order and some of the people in the industrial sector are only aware of it now. As a result of that recent awareness, this morning I received a call with the suggestion that further information is on its way to me. I simply cannot give him the detail now, but I want him to know that when I get it I will share it with him.

Hon. Mr. Elgie: On picketing?

Mr. Van Horne: Yes.

Hon. Mr. Elgie: I would be pleased to receive that information, Mr. Speaker.

Motion agreed to.

Hon. Mr. Elgie: Mr. Speaker, is it appropriate for me to introduce two minor amendments at the time of third reading?

Mr. Deputy Speaker: No.

House in committee of the whole.

LABOUR RELATIONS AMENDMENT ACT

Consideration of Bill 204, An Act to amend the Labour Relations Act.

Section 1 agreed to.

On section 2:

Mr. Deputy Chairman: Hon. Mr. Elgie moves that section 131a(1) of the Labour Relations Act, as set out in section 2 of the bill, be amended by striking out the word "an" in the fourth line and inserting in lieu thereof, "a designated or certified."

Hon. Mr. Elgie further moves that section 131a(2) of the Labour Relations Act, as set out in section 2 of the bill, be amended similarly by striking out "an" in the fourth line and inserting in lieu thereof, "a designated or certified."

Hon. Mr. Elgie further moves that section 131a(3) of the Labour Relations Act, as set out in section 2 of the bill, be amended by striking out "an" where it appears the first time in the second line and inserting in lieu thereof, "a designated or certified."

Hon. Mr. Elgie: If members want that clarified, it is simply to clarify with certainty that we're talking about the central bargaining agency and not one of the local bargaining agents.

Motion agreed to.

Section 2, as amended, agreed to.

Section 3 agreed to.

On section 4:

Mr. Deputy Chairman: Hon. Mr. Elgie moves that section 134a(3) of the Labour Relations Act, as set out in section 4 of the bill, be struck out.

Hon. Mr. Elgie: Mr. Chairman, the reason for striking out this section is that I've had some legal advice that it might be interpreted that that remedy section apply to other sections; and indeed that section 79 of the Labour Relations Act would apply in any event, therefore it's unnecessary.

Motion agreed to.

Sections 5 and 6 agreed to.

Bill 204, as amended, reported.

On motion by Hon. Mr. Elgie, the committee of the whole House reported one bill with amendments.

[3:45]

AGGREGATES ACT

Hon. Mr. Auld moved second reading of Bill 127, An Act to revise the Pits and Quarries Control Act, 1971.

Hon. Mr. Auld: By popular demand, Mr. Speaker, having learned my lesson, I have a

brief statement; a little of the past history and comments on the principle of Bill 127.

Aggregate is like all our other mineral resources: it is nonrenewable and we have to mine it where we can find it. Nature was generous in Ontario, however, as most of the resources in this province, probably nearly three quarters of the total of aggregate resources, are located within 75 miles of our major demand points.

While the resource was deposited in abundant quantities, it became clear over 10 years ago the province faced shortages due to loss of resources through pre-emptive land usage. In addition, it was clear that regulation of the industry was required if aggregate extraction was to remain an acceptable land use.

As a result, the Pits and Quarries Control Act, 1971 was proclaimed on November 3, 1971. That act has been in force for eight years. It has solved many of the environmental and rehabilitation problems associated with the aggregate industry; however, it has not accomplished all the results it was intended to achieve.

For example, the ambiguous and ineffective language of a number of sections in the act make it difficult to administer and enforce; the rehabilitation security deposit is inadequate and does not promote rehabilitation; the act does not provide for adequate liaison with municipalities; it does not provide for the industry to carry all the costs incurred as a result of pit and quarry operations; there is no effective provision for suspension of licences in order to alleviate problems; there is no provision to deal with the rehabilitation of abandoned pits and quarries; and finally, the act does not cover crown land pits and quarries in designated areas.

As a result, as the honourable members are aware, my ministry appointed the Ontario mineral aggregate working party in December, 1975 to examine those concerns. The working party examined the full range of economic, social, environmental, legal and technical aspects related to mineral aggregates. From the beginning, the working party solicited wide-ranging public input to ensure that all points of view were considered.

Accordingly, a public participation program was established, briefs requested and six open houses held in the areas of high aggregate production. Over 600 written comments were received and there were more than 800 participants in the open house.

The working party handed down its report in December, 1976. The report recommended new legislation be drafted to replace the Pits and Quarries Control Act and set out 64 recommendations to be taken into account.

Over 100 submissions were received from municipalities, both local and regional or county, special interest groups, industries and associations, and from other provincial ministries with regard to the report of the working party.

This bill, the Aggregates Act, flows from the report of the working party and the experience gained over the years by various interest groups concerned with the Pits and Quarries Control Act, 1971.

The new act has three purposes: (1) To provide for the management of the aggregate and crown aggregate resources of Ontario; (2) to control and regulate pits and quarries, wayside pits and quarries and crown aggregate pits and quarries; (3) to require the rehabilitation of lands from which aggregate or crown aggregate had been excavated.

The Aggregates Act provides for: (1) Wording which will result in better administration and enforcement; (2) increased rehabilitation security which should generate better and more rehabilitation; (3) more liaison with municipalities; (4) remuneration to municipalities to compensate them for costs resulting from the operation of pits and quarries; (5) the immediate suspension of licences and more detailed site plans resulting in stricter control over the industry; (6) the rehabilitation of abandoned pits and quarries; (7) crown land pits and quarries in designated areas to be administered under the act.

The rehabiltation security deposit is increased from two cents per imperial ton to eight cents per metric tonne to adequately cover the cost of rehabilitation. Detailed site plans are required, and progressive and final rehabilitation standards are established. Funds will be available to rehabilitate abandoned pits and quarries. New provision is made for extensive liaison with both the local and county or regional municipal governments.

The annual licence fee is six cents per tonne of material removed from the site and the money will be dispersed as follows: four cents per tonne to local municipalities, one half cent per tonne to counties or regional municipalities, one half cent per tonne to an abadoned pit or quarry fund and one cent per tonne to the province.

In concluding these opening remarks, I would just mention to the House I have several amendments to introduce at the committee stage of this bill and will forward copies to the opposition critics and so on prior to that stage, in fact as soon as I have them all together.

I am hopeful the standing committee on resources development will be able to deal with this bill during the winter recess, and I am also hopeful we might, with the co-operation of all members present, be able to complete second reading by six o'clock.

Mr. Nixon: Mr. Speaker, I am glad the minister has indicated his willingness to have a standing committee examine the bill. There is no doubt a number of interested citizens as individuals, and others as members of groups, want to express views pertaining to sections of the bill.

I can recall very well when the original bill was debated in the House in 1971. All of us, as members of the Legislature, had received a good many complaints from citizens who felt the development of the aggregate industry was haphazard and willy-nilly. The pits were opened without any responsibility in the long term under law or regulation requiring the pits to be operated safely and cleanly. At the time there was no control as far as dust and noise were concerned, and the wear and tear on sometimes very small, in fact inadequate county and township roads, was such that it was felt definitely that a control measure should be introduced.

In many constituencies, including my own of Brant-Oxford-Norfolk, there are very large deposits of high quality gravel. I have been informed locally that for especially important concrete construction such as the Pickering nuclear plant, and even the CN tower, the aggregate near Paris, Ontario is considered to be the best and I believe a premium is paid for it. Many truckloads have come down into this area to the profit of the owners, and I have no objection to that.

I was particularly interested, however, that many people feel the 1971 bill has been a failure. Most of the reason for the failure has been directed at the ministry, and I believe the ministry in turn has indicated their staff is inadequate to enforce the law and the regulations applying to it in an effective way.

While the intentions are expressed in the bill and the regulations, and there are many of them, have been promulgated in an effort to bring adequate controls to the aggregate industry, still both sides, those who feel that the aggregate industry is too restricted and those who feel it is given much too much leeway in its development, are dissatisfied.

The thing that must concern us is one of the pieces of important information that came from the Ontario aggregate working party. It is suggested that based on recent estimates of demand, sand and gravel reserves in the central region of Ontario should be sufficient to the year 2005 and crushed stone to the year 2025. With respect to Ontario as a whole, total supplies of aggregate were considered adequate to the year 3000, which is a bit beyond the area of concern of most of the members here.

The concern does apply however, when we are informed that because of zoning policies, official plans, regulations and other restrictions, the amount of available sand and gravel in the central Ontario region is really reduced by about two thirds, and the amount of stone available for crushing in the central region is reduced to about a tenth. These are rounded figures, but they indicate that although the resources are there the plans and restrictions that have been put on, particularly over the last decade, have reduced the availability of those resources so that naturally costs have been forced up.

The government has had to deal with that. On the one hand, naturally, they have to respond to citizens who are very concerned at the depredations worked on the community and the landscape and the roads and the air by the removal and the utilization of the aggregate; and on the other hand, those same people who are complaining about it naturally want to have an adequate supply of high quality aggregate at reasonable price so that our building industry and the basis of our economy is not going to be hindered.

In this respect I have a certain degree of sympathy with the minister, his colleagues and his predecessors. It is very difficult to bring those two opposing views into some kind of reconciliation where justice is done for both sides.

One area that is of substantial concern is that maybe even this bill, elaborate though it is in some respects, is not going to fulfil the needs, that the same seeds of failure that were sown in the original bill in 1971 remain in the present legislation before us, Bill 127.

Many responsibilities are given to the minister—I won't list them, they are listed in the bill—but one of the problems is that perhaps this minister has too many responsibilities. He is seen not to be a controller of the aggregate industry but really the developer himself. It is his responsibility to search out the resources and see that the amounts are properly scaled so they are made available to industry in a fair and equitable way. It almost seems that the Minister of Natural Resources and his advisers become really the operators of the overall provincial industry. Of course at the same time they have the responsibility to control it. There is no procedure whereby the Ministry of the Environment can under its regulations come in with

any of their specific and special responsibilities to protect the environment.

No sanctions of the new act will allow assessment of site locations or enforcements by the Ministry of the Environment. The same ministry, in this case the Ministry of Natural Resources, is empowered with the responsibility to find the aggregate, to do the resource research and to administer and promote its removal in an orderly way; and at the same time to exert control over the operation.

[4:00]

The second substantial objection comes to us from municipalities. In this area, the township of Mono has taken the lead, as well it might since it has had considerable experience in this regard. Several municipalities have indicated they are offended that this bill would give the ministry the power to overcome and supersede the planning restrictions that the townships have put on. In fact as I understand it the aim is that the minister, through his powers, can distribute responsibility for the extraction of aggregate so no one area has to bear the brunt of the depredations, the excavations and so on; but this responsibility, and I suppose to some extent assessment benefit, is distributed over the municipalities that have the aggregate to contribute to the economy.

There is a very substantial objection to the removal of this basic planning power, which has always been associated with the municipalities and has been theirs under the Planning Act and its various amendments, and to some extent under the Municipal Act itself.

The resolutions put forward by the township of Mono have been reviewed and supported by a long list of municipalities which are directly involved. Their main objection is that they feel local control in this matter is being removed from them by active legislation; and while they are not commenting on the ability of any individual minister, they are concerned that this power should not be centralized in a way which in the long run might not be to the benefit of the individual municipality. I have to put forward that concern since in many respects it is the main one, and certainly one of the very important ones.

The third point that I believe merits comment on second reading, is our support for the concept of providing funds to do a clean-up job on worked-out pits or abandoned pits where the owner cannot be held responsible. We feel, of course, the owner, who had the benefit of the removal of the aggregate in the first instance, should be required to pay, if not the full cost to bring it up to government standards, at least a part of it. We can see, however, the problems in either locating the person who benefited financially from it or finally enforcing the cleanup, particularly when the aggregate was removed before regulation amounted to anything, essentially before 1971 but in some respects even earlier. For this reason, we agree with the concept of setting aside—what is it, five cents per ton? —never mind, don't look it up—a few cents from each ton extracted so that the money can be applied for that purpose.

A large number of organizations, very reputable ones dealing with the environment particularly, have brought to public attention, or to anyone who would read their report, the fact that these moneys are going to be inadequate. One of them even projects that with the budget that would be based on the removal of aggregate now it would take more than a century to clean up the abandoned pits that already pockmark many parts of the province.

There are mitigating factors in this connection, however, and many townships, several in my own constituency, have taken an initiative not to spend tax funds to clean up those abandoned pits but to approve building permits on those pits and allow them to be sold for building lots. In these instances it's obvious that the property, if it is left the way it is, is not going to be good for anything except short-term evening parking and things like that, but if it is clearly made known that the property would have the benefit of a building permit if sold under those circumstances—the smaller municipalities in the rural areas are having great success in adding in many instances to their own revenues by selling these small properties—the owner then can spend his own money to change the profile of the property in any way he wants. I know of several instances where very fine homes have been built on the properties and the private sector has taken the responsibility for a cleanup.

The argument, however, is that although the concept and principle of cleaning up abandoned properties is an excellent one and one which we support, there is some indication that the financing of it is going to be inadequate. It is, as politicians often say, a step in the right direction.

The planning authorities of the province, in May 1979, issued a white paper dealing with the Planning Act. In its terms it deals with the pits and quarries problem. I quote from three areas from the white paper, issued in May of this year, that have some application.

The first is as follows: "The province would be concerned with examining an official plan in the context of provincial interests and policies." I now say, in my own terms, that of course that is an indication the white paper envisages the centralization of the responsibility of circumventing or overriding local planning authorities in the context of overall provincial policy.

The second deals with housing: "The Minister of Housing, either independently or jointly with other ministries, will publish policy circulars. Municipalities will have to take the policy circulars into account in formulating any planning policy." I say now, in my own terms, that inherent in that is the fact it would not lie with any municipality to forbid the extraction of aggregate by zoning procedures where government policy, clearly stated, indicates those areas should allow the extraction of aggregate. Once again, local autonomy is removed, is completely removed in this particular instance.

The third point extracted from the white paper is as follows: "The minister will have the power to request any municipality to incorporate into its official plan any matter specified by the minister. Where the municipality fails to amend its plan the minister may cause the plan to be amended." That specifically reiterates the position that local autonomy is completely obliterated in this regard and the policy of the government, as expressed in the statement of the minister, in fact the will of the minister, will prevail in each and every case.

There is no doubt then, and no reason not to clearly understand the objections put forward by many of the municipalities in this connection; and I know other speakers, in response to resolutions passed in their own areas, will want to bring that forward.

It is clear, as well, that the powers of the minister have been greatly reinforced by the provisions of the bill. Under the 1971 enactment it was quite possible for individuals not directly concerned to express public objection, and of course that always remains, but also to require hearings before the board if they felt the minister had not acted responsibly, or at least in conjunction with their views in regard to approvals or control of a pit.

This power is now largely removed. The minister may, by his own judgement, indicate that a person does not have the power to require a hearing. It is quite possible then that those people who object to the decisions taken by the minister do not have recourse, because the very minister whose decisions are objected to has the power to indicate whether or not a hearing may be held on the basis of the objections.

I find this procedure unacceptable. It seems the minister, in his efforts to reduce the time consumed in hearing objections and having an impartial judgement made, is to a degree greater than necessary arrogating to himself the powers to decide where the pits will be located, how they will be operated, when they will be closed, and in some detail the procedures associated with those decisions.

As we supported the principle of the bill in 1971 we support the principle now. There are so many individual areas which should be discussed, and could be discussed on second reading because they are far from superficial, that this debate could go on for a good long time.

At one time I attempted to make a list of interested organizations and didn't bother completing it. The number of organizations which have spent many hours and many dollars researching the concepts of control of aggregate and pits and quarries, in this jurisdiction and in other jurisdictions, is very impressive. The Foundation for Aggregate Studies has presented an extremely useful paper, and naturally the aggregate producers have put forward their views. Most of the organizations dealing with the environment have reviewed it. At least one of the municipal organizations has put forward a remarkably useful review of the bill, going through it by section and expressing what it considers to be objections, also approvals in many instances, and proposed amendments.

I'm sure all of that material will be put to good use by the members of the House who are members of the committee reviewing this during January and February, or whenever the committee hearings are held. The information is there. I believe the objections are particularly well founded and that the bill can be improved by the kind of committee review the minister has now agreed should take place and should occur.

We hope the bill can receive second reading this afternoon. We look forward to the kind of committee review involving testimony from those individuals and groups directly concerned that have already put their views before us as individual members of the House.

Mr. Swart: In rising first to speak for my party, I want to say that the critic of the Ministry of Natural Resources is not abdicating his responsibilities nor am I usurping them. I have another commitment rather shortly, so he permitted me to speak first on this bill.

I speak on this bill in a mood of some frustration, anger and disgust, because I have been involved with the matter of pits and quarries, the management of them and their rehabilitation with the municipal associations and in other ways for many years. After many reports, the situation today is very little better than it was 10, 15 or 20 years ago. If anything, it's probably true to say it is worse than it was back in those days. As many people were, I was very pleased when the Pits and Quarries Control Act was brought into being in 1971. Although we didn't think it was the panacea for all the problems, we thought it would go a long way to resolve some of the difficulties. In fact it has done very little to improve the situation.

As everyone knows and as was mentioned by the member for Brant-Oxford-Norfolk, the municipalities are unhappy. The quarry operators in many respects are unhappy. Most of all, the citizens of many municipalities are extremely unhappy because of the numbers of pits and quarries, and the conditions which prevail in them.

I admit, as did the member for Brant-Oxford-Norfolk, that it is a difficult problem. There are conflicting views on this matter and there are conflicting interests; as a result it's extremely difficult to resolve them. I recognize that most municipalities, if it were permitted, would like to have no pits or quarries within their boundaries. We have to have aggregate, so there have to be rules and regulations.

What makes me most annoyed and angry about this bill before us is that it is largely a façade. Anybody who has looked at it realizes there are only the bare bones, and maybe not even the bare bones. There is no life to it and there is no flesh to it. Flesh could be put on it by regulations and life could be given to it, it has possibilities; but with the record of the ministry and the government to this date it's fair to conclude, as most people have, that this bill is not going to resolve the very real problems that exist.

[4:15]

It would seem to me in a bill like this, when so much of it is left to the discretion of the minister, there would have been some principles stated in the bill, which in fact simply refers to three purposes:

"(1) To provide for the management of the aggregate and crown aggregate resources of Ontario"—management is left totally to the minister, there are no principles established; "(2) to control and regulate pits and quarries, wayside pits and quarries and crown aggregate pits and quarries"—there are no details of how this is going to be done, that is going to be left to the minister; "(3) to require the rehabilitation of land from which aggregate or crown aggregate has been excavated"—again all of those decisions are really left to the Minister of Natural Resources.

I want to point out a number of areas where this discretion is left to the minister. First of all, it is left to the minister to determine to what part of the province this shall apply. It is true the part to which the Pits and Quarries Control Act applies at present will automatically be included, but the minister has the power to make the final determination where this shall apply.

Section 11 says, "The minister in considering an application for a licence shall have regard to . . ."—but it only sets out the guidelines he shall have with regard thereto, no firm policy statements are made there.

Under section 12(7), which deals with the issue of the notices and appeals: "The minister may, upon receipt of a notice under subsection 6"—when somebody wants to be heard before the Ontario Municipal Board—"that in the opinion of the minister discloses an interest in the matter that is sufficiently substantial to warrant a hearing . . ." The minister makes a determination whether anybody affected by this will even get a hearing before the Ontario Municipal Board. When we recognize there is no compulsory notice to be sent even to abutting property, we can see what little control the public is going to have over assuring there will be a hearing before the OMB.

Section 13(1), regarding the issuing of licences, simply says, "The minister may in his discretion issue a licence subject to such conditions as he considers necessary."

Section 13(2): "The minister may at any time add a condition to a licence or rescind or vary a condition of a licence."

Total and absolute control over the conditions under which a licence will be issued, and whether or not it will be given to the applicant, is at the discretion of the minister.

Section 14 refers to the licence fees and the distribution of those licence fees; again it is left entirely to the minister. It would seem to me the minister could readily have provided in this bill that a certain minimum percentage would have to go to the municipality to cover the extra cost created; but that is not provided in this bill, it is left totally to the discretion of the Minister of Natural Resources.

Section 22 provides that the Ontario Municipal Board assumes a role it hasn't had

to date, which in effect makes its decisions much weaker than all of the other decisions it makes. In this case, unlike planning and all the other matters that come before the board where its decision may be appealed to cabinet, here it provides only for a recommendation to the minister. So the power the board has as an independent body, to which many citizens look for their protection, will be weakened and less meaningful than it is at present.

In section 27 dealing with wayside pits and quarries, again the minister may in his discretion issue a wayside pit or quarry permit. Subsection 2 says, "Where the location of a wayside pit or quarry, for which a wayside pit and quarry permit has been issued, contravenes any relevant restricted area bylaw, the permit prevails and the bylaw does not apply to the wayside pit and quarry."

Anybody who has discussed the problem that municipalities now have with regard to quarrying will realize there is as much objection to the situation with regard to wayside pits and quarries as there is with regard to quarrying generally; yet they have practically no regulation whatsoever, only that the minister may issue this permit as he sees fit.

In section 33 of the act, dealing with abandoned pits and quarries, once again the discretion as to whether it is to be an abandoned pit and quarry and whether funds are to be dispersed is left entirely to the Minister of Natural Resources.

The same thing is true of section 47; the very important matter of rehabilitation is left to the minister without even any guidelines set for the ministry to operate by.

The rehabilitation security payments are again, under section 48, left to the minister. Even the right of an individual to prosecute has to be approved by the minister before that person can proceed with a prosecution. It is the same with all of the important regulations. We'll find if we look at section 62: "The Lieutenant Governor in Council may make regulations respecting the management of the crown aggregate resources of Ontario, prescribing or providing for the calculation of fees and providing for the payment thereof."

All of the important parts of this bill are not put into the bill itself but are left to the discretion of the minister. Actually, this bill should be before us as a one-paragraph bill. It could simply say the Minister of Natural Resources is hereby authorized to establish policy and make regulations as he deems desirable for the establishment and operation of pits and quarries in the province. In effect, that is largely what is being done by this bill.

Somehow or other I have the strange belief that it is this Legislature, through acts of this Legislature, which should make policy; that should be the purpose of the bills we have before us. This bill doesn't do that, therefore it is largely a sham and a hoax.

This bill is an insult to this House because while the 1971 bill was still in force, at the same time that this bill was being circulated for comment, the government had stated its policy in clear and unequivocal terms.

I have a letter here to the Ontario Municipal Board dated September 11 and signed by the Minister of Natural Resources, in which he states the policy of the government of this province. This was written, I think I'm correct in saying, because there was a hearing on Durham region's official plan before the Ontario Municipal Board. The minister sent this to them as a statement of government policy.

I want to read most of this into the record because I think it is important. We look at the bill on the one hand, that skeleton that says nothing, and then look at this letter on the other hand.

It is headed Mineral Aggregate Policy for Official Plans:

"1. All parts of the province possessing aggregate resources shall share the responsibility for future demands, at first approximately in proportions existing under present market patterns until new, long-term sources of supply can be made available, based on efficient, long-distance transportation systems;

"2. That aggregates must be available at reasonable cost to the consumer, including environmental, transportation and energy costs;

"3. That licensed pits and quarries under provincial legislation must be recognized and protected in official plans . . . "

Then there is a section about the province providing some basic information to municipalities.

"5. That the province, in co-operation with the municipalities, must identify areas of high aggregate resource potential and define those areas required for possible future extraction adequate to meet future provincial demands;

"6. That the identification, designation and protection of high aggregate resource potential areas should occur jointly by the regional county and local official plans;

"7. That uses of land which would preclude the possible future extraction of aggregates should not be permitted in required areas of high aggregate resource potential. Prohibited uses would include residential,

commercial and industrial development. Other land uses would be permitted, such as agricultural and forestry;

"8. That because of time and cost constraints there should be special approval procedures for wayside pits and quarries; therefore, policies should be included in official plans to allow the opening of wayside pits and quarries without amendment to the plan or its implementing zoning bylaws;

"9. That the Ministry of Natural Resources should have ultimate authority to ensure that adequate supplies of aggregate are available for future use, and official plans should not be approved until they ensure the municipalities will have available their fair share of future aggregate supplies; and,

"10. That the province require rehabilitation of land after excavation, either through restoring the land to its former use or condition or to another use or condition that is or will be compatible with the use of adjacent land."

I say to you, Mr. Speaker, that is the policy of this province, not what's in this bill. When the minister determines whether he is going to give approvals to wayside pits and quarries, that is the document that is going to be used. I say it's deliberate that they don't set out the principles in this bill, because they want to retain unto themselves the principles and the policy. This bill becomes very much a sham.

It's essential in any bill where you delegate authority to the minister that you establish the principles of the act. The government did that in the Niagara Escarpment Protection Act. Maybe that's why they don't do it here. There were principles established there. They succeeded in backing off, of course, but it makes it much more difficult; that is perhaps why they don't have them in here.

It seems to me there are at least four principles that should be included. One is that priority should be given to maintaining prime farm land. It's not even mentioned in the bill. Two, the number of pits and quarries should be related to need and no municipality should be expected to take an excess of pits and quarries. Three, the views of local councils and citizens' groups should be a major factor in the decision-making process. Four, the payments to the municipalities should be at least adequate to meet all other additional costs.

At the present time those things are all left to the discretion of the minister. They are very basic principles which, to me, should have been embodied in Bill 127.

I'm not going to go into any great detail on the other aspect of the bill which is weak, but I know some of my colleagues will. There are many sections to that. I would just say to the minister that he could do no better than to read—and perhaps he has already read it—the article by John Swaigen of the Canadian Environmental Law Association in Municipal World. I believe it was in the September, 1979, issue. It sets out the policies which ought to be included in this bill and points out the weakness of the bill as it now stands.

[4:30]

There is just one other point I want to make while I'm on my feet, I will leave the rest to my colleagues. It is this: This bill is really predicated on the proposed new Planning Act white paper and the Planning Act which is going to be brought in based on that white paper.

What we have in this bill, therefore, are policies that make it even more meaningless, because that bill is not in force at present. When that bill is in force it will in some respects even further weaken this legislation. I say that because as it is proposed in the white paper the Ontario Municipal Board only makes a recommendation, it doesn't make a decision—it only makes a recommendation to the Minister of Housing and the public doesn't have a right to appeal that to the cabinet, which means there can be even more in-house manipulation by this government.

Look at the procedure that will be followed. There will be an area where pits and quarries will not be permitted to be established, perhaps in a municipality or parts of a municipality. There will be a pit and quarry operator, because there is aggregate there, who will want to develop. He will go to the municipal council and the municipal council will say, "No, we don't want those pits and quarries in that area." So he will appeal directly to the Ontario Municipal Board.

The people in the area who are opposed to it may not even be notified of it, but there will be an announcement in the paper. Conceivably they will have the right to be heard, if the minister doesn't think it is a frivolous application, and after a long and lengthy hearing takes place there will be a recommendation to the Minister of Housing on whether the zoning or the official plan in that area should be changed.

Obviously the Minister of Housing will consult with the Minister of Natural Resources. He will pull out another document like this, which says that aggregate resources

must have the highest priority, and the zoning change will then be made.

There is no appeal for the people in that area, or even for the municipality in that area, except directly to the minister. The official plan will be changed to permit it and the minister will issue a permit.

I say that is not just some sort of abstract theoretical thing; that is, in effect, what will most likely take place.

What we have here really is a meaningless bill, because it is not fleshed out. Further, we have a minister, perhaps I should say a ministry because this minister has not been there all that long, who has refused to enforce the present bill—and the aggregate working party says that; and finally we have the likelihood of the OMB losing much of its power to protect the citizens.

It becomes very difficult, under those circumstances, for us to support this bill; but because the one we have now is ineffective and there may be the possibility in committee of putting some flesh on these weak, bare bones, we will be supporting it so that it can go out to committee.

Mr. J. Johnson: Mr. Speaker, I would like to support this bill and ask the honourable members opposite if we could have it pass second reading before six o'clock so it could be referred to the resources committee and dealt with in the January/February sitting of that committee.

I have a riding that has a lot of quarries and pits, and I have a lot of people who would like to make presentations; municipalities as well as owners of the pits and quarries, and naturally the people who are opposed to the pits and quarries. If it is referred to the committee I would hope that we could have public hearings and allow full participation from all the interested parties; then, hopefully, we could come up with a bill that would be acceptable to the majority of people.

I would simply ask the members if we could pass second reading before six o'clock.

Mr. Haggerty: Mr. Speaker, I want to address myself to Bill 127, an Act to revise the Pits and Quarries Control Act, 1971.

I listened to the previous speaker for Welland-Thorold, who pitches gloom and doom on the industry, and then finally says he will support it. I am just a little amazed at the comment. If one would take his attitude, perhaps we would not have seen any construction in the city of Thorold; such as the tunnel constructed some 10 or 15 years ago when we had difficulties at that time in removing sand and gravel from around Fonthill and the town of Pelham where people were a little up tight about the removal of the sand and gravel in such amounts and quantities.

When I first entered the Legislature, I was one of those persons complaining about this issue. I thought municipalities did not want to initiate controls under the Planning Act at that time. I believe it was section 35 of the Planning Act that they could have brought in controls for operation of pits and quarries in the municipalities. Many municipalities did not wish to go in that direction. I think this is where many got themselves boxed into the problem, with residents protesting and objecting to the opening of new quarries and pits in the area.

I endorsed the bill in 1971. I thought it was a step in the right direction. I thought the municipalities did not want to shoulder that responsibility and that some other level of government must take that initiative to provide protection to residents and municipalities as a whole.

Some mention was made about the Niagara Escarpment control order that was applied. It was a great piece of legislation in the sense it did result in the abandonment of a great number of quarry operations along the escarpment. That caused problems in other areas. The operators of the quarries immediately started looking for other sources of material; they bought up a number of small quarries in my area and they are expanding that into quite a business.

I know there is some criticism by councils in my area about one particular quarry, to the effect they are not doing enough. I find after reviewing and looking over the sites in my area that they are going out into the area of rehabilitation to the extent it has led to an additional cost onto the price of stone, which eventually will be passed on to the consumer. As far as I am concerned they are doing an excellent job. In some cases they have gone to a considerable extent in rehabilitation; they have even established ponds which they have been able to stock with fish. It has been very successful. I am referring to the Port Colborne quarries. I suggest members should be looking at this operation.

In Fonthill, after removal of the sand and gravel in that area one of the quarries had been rehabilitated into a golf course and is even used for housing.

I don't think we should be picturing doom and gloom here. We do have quarry and pit operators in business in Ontario; we have to have the aggregate to build industry, bridges, housing and highways.

I live close to one of the best tourist attractions, the best tourist sites in the province. I have given the minister a copy of a brochure about it. It is the Sherkston Beaches. The 27-acre quarry there just goes to show what rehabilitation can do. It is one of the major tourist attractions for campers and swimmers, for fishing; in fact for everything. It is right there. The operator owns one on the other side of Ridgeway which is a successful tourist attraction as well, providing camping facilities for many of the tourists coming in from the United States.

I would suggest any quarry operator who wants to abandon a pit or quarry can give it to me because I think I can make it work and be profitable. It has been shown here and in other areas that there is good use for abandoned pits and quarries. It can raise the watertable, although at times it may cause some difficulties when they are drilling. Certain water supplies may be depleted for some period of time and they may lose a well.

Hopefully in this new proposed taxation program which is an increase of about 300 per cent, from two per cent to eight per cent or something like that, there is provision for funds to go back to the municipality. Where there is difficulty with persons living around a quarry or pit operation who have lost their water supply that funding should be allocated to putting in services.

The more I look at this particular bill, the more I realize I have never seen a piece of legislation like this before the House at any time. It discriminates against a certain business practice carried out in the province. The excuse is we are afraid it will give four cents back on every ton to the municipality to build roads, et cetera. I am sure the member for Welland-Thorold (Mr. Swart) will look at the operations of the large steel mills in Welland which are bringing materials in by heavy trucks using roads in the municipality. They are not taxed additional tax for making use of that road, but the truck operators from the quarry are. If exemption can be provided for a number of industries in this particular area, then I think the minister had better reconsider his position so there is not discriminatory taxation of this industry.

In the long run, it's the municipality that will pay for it, because the industry is going to pass it on to the consumer. It will cause some difficulties. Under the present scheme of the $100,000 set aside for funding for rehabilitation, it's a benefit to the province because of the low interest rates. I suppose those in the industry look at that and they say, "Well, we are only getting six per cent buildup in this fund, it could go up almost 12 per cent." That is what needs looking at. Perhaps then the minister wouldn't have to go back and put an extra tax on the consumer purchasing the stone, aggregate, gravel or whatever it may be.

I suggest to the minister he is discriminating against a certain industry, the non-metallic industry. There is nothing mentioned in this bill to include the other industry, open pit mining for example. Yet it can cause just as much of a nuisance and a problem to the rest of Ontario as a quarry at the present time. There is nothing in there that says open pit mining operators, when they abandon a mine must rehabilitate it. There is nothing in this act, yet I believe should be included in it.

I don't think we can single out one particular area of the mining industry in Ontario to carry the whole shot, particularly the taxation proposed today. It is an injustice, I think, when we look at other areas like open pit mining where tax depletion is allowed when they gradually phase out.

I suggest the minister take a second look at this thing. When we talk about heading for double digit inflation this is certainly going to add to it.

I am not here to defend the quarry industry. I think the bill itself is a good bill. It has brought control and order in a number of municipalities. I don't think municipalities can complain too loudly about the loss of some of their authority, because they had the powers years ago to move in that direction and they didn't. That is why the ministry is faced with some of these problems today. I have to commend the ministry for moving in that direction even back in 1971.

There are some conflicting views, as expressed by previous speakers, and that relates to the white paper on the Planning Act and the powers vested in the minister under this particular section. On the white paper on the Planning Act it said the minister will have the power to request any municipality to incorporate into its official plan any matters specified by the Ministry of Natural Resources; I suppose where the ministry fails to amend its plan the minister may cause the plan to be amended.

[4:45]

I have to agree; I think there has to be some form of appeal here. That appeal should go to the Ontario Municipal Board where people do have a right to be heard and to object to it under sections 2, 3 and 6 of the Pits and Quarries Control Act. I think this should still be part of the bill. It stipulates

that the minister shall not issue a licence when the location is in contravention of any official plan or municipal bylaw, and that where a local municipality does not have an official plan or bylaw governing the location of pits and quarries, the minister may not issue a licence if the council objects to the location.

Both of these provisions have been deleted from the new act. I suggest that people should have a right to appeal to some other agency so that their side of the story may be heard. I don't think even the Environmental Assessment Act applies to certain areas of this particular bill. It does give the minister rather broad powers under this new bill. I suggest that they are perhaps just a little bit too much.

There has been some concern about the regulations. I believe there is a resolution from the regional municipality of Waterloo which the regional municipality of Niagara has supported. They want to delay Bill 127 until they can see the regulations. I suppose they are more concerned about what regulations will follow the act. Again I suppose they will give the minister rather broad powers.

I want to say to the members of the House that I think it is discrimination against a certain industry in Ontario. There must be some other measures by which a tax can be added to cover the cost of rehabilitation.

On this matter of rehabilitation, as the minister indicated in his opening remarks he's going to spend quite a bit of money on rehabilitating old pits and quarries in the province. I question that. The question is who owns the property in the first place? Does it all belong to the crown? Is the minister going to rehabilitate these quarries and add value to them? Are they then going to be sold or go back to their original owners to be sold at a gainful profit?

I talked about rehabilitation of some of the quarries in the Niagara Peninsula. The Niagara Peninsula Conservation Authority bought vacant quarry land from Canada Cement LaFarge of Montreal. They spent—I could be wrong on the figures—around $300,000 for this abandoned pit operation which they are going to rehabilitate. The city of St. Catharines has spent around $1 million on buying out an old quarry operation on the top of the escarpment just behind the Shaver Hospital in St. Catharines. They are going to use it for a garbage disposal or waste disposal site.

I suggest that almost all of these abandoned quarries do have some good value. I am talking about dollar value that can be developed. If the minister is spending taxpayers' money to rehabilitate some of these old quarries, I hope he is not going to rehabilitate them with the owner still sitting there waiting for all this major work to be done to beautify it and then turning around, selling it and making a huge profit on it. Again that would be at the expense of the taxpayers who are purchasing and the consumers who are buying the aggregate. I hope the minister may have some comments on this area.

That's about the only thing I can add to the bill. I think it's a good bill. It does give the minister additional power. Once it's referred to the standing committee I am sure these matters can be ironed out and amendments will be coming forward that will make it a workable bill for all parties concerned.

Mr. Wildman: I want to rise in this debate to say that along with my colleague from Welland-Thorold I support the principle of the bill. However, we find some very serious shortcomings in the bill as drafted. At the committee stage we will be introducing extensive amendments to try to respond to some of the questions that are being raised and will be raised at committee stage about the bill by the various groups and individuals involved.

The previous speaker, the member for Fort Erie, talked a lot about discrimination. Mr. Speaker, I know this may be close to your heart. I want to talk about discrimination in this bill and the whole government's approach to regulation of pits and quarries in this province, and I want to speak specifically to section 5 of the bill.

Mr. Eaton: You don't speak to sections during second reading. That's done in committee.

Mr. Wildman: I am going to speak about this section as it embodies the whole principle and the whole approach of this government towards regulation of pits and quarries in this province.

It is interesting that when we look at this bill we find that it follows the old act, the Pits and Quarries Control Act, 1971, in terms of the sections of the province that will be covered by the bill. Then there is another proposal in the bill, of course, that the Lieutenant Governor in Council can designate parts of Ontario in which this act and regulations will apply, over and above the parts of the province that are now designated under the Pits and Quarries Control Act.

When I mention discrimination, you just have to look at the areas of this province which are now designated to discover that

much of northern Ontario does not come under this bill as it is proposed because it is now not designated under the Pits and Quarries Control Act. I have had correspondence with the minister about this to find out what he has against northern Ontario. Why is it that the north should be treated differently from any other section of the province? Why is it we should have less control over pit and quarry sites in our part of the province than other sections of the north, there are a few sections of the north that are designated, and most of southern Ontario?

Mr. McKessock: You are right on. Let's change the licence fees.

Mr. Foulds: And give us the same gas prices.

Mr. Wildman: Do you realize that licence fees save you about 40 to 50 bucks a year, where it costs us over $100 more in gasoline prices in a year?

Mr. Kerrio: Gas is cheaper in Sault Ste. Marie than it is in Niagara Falls.

Mr. Foulds: Go ahead, save money; drive to the Sault and fill up your tank.

Mr. Wildman: You can't drive from the Sault to Thunder Bay on one tank of gas. You have got to fill up in Marathon or White River, and the Speaker knows exactly how much it costs up there.

But to get back to the bill, what I am concerned about is the fact that the pits and quarries along Highway 17 are not going to be governed by this bill.

I had some correspondence with the minister about what I see as two different attitudes by the government towards management of pits and quarries in southern as opposed to northern Ontario. In response to my inquiry the minister pointed out that at the present time 287 townships, including the Sudbury region, an area around Sault Ste. Marie and the La Cloche Islands near Manitoulin Island, are designated under the Pits and Quarries Control Act, therefore they will be designated under this bill when it comes into effect.

He pointed out, and I am quoting the minister: "Although the designated area is relatively small, over 80 per cent of aggregate production in the province is covered by the act. The reason for the larger designated area in southern Ontario is because of the problems associated with the high production in the south."

It may be that 80 per cent of the aggregate production in the province is covered by the old act and therefore will come under the purview of this act when it's passed. However, it still escapes me why the other 20 per cent should not be covered.

The minister tried to explain that away by indicating to me that in addition to the designated area in the north, all pits and quarries on crown land operate in accordance with the quarry permit issued under the Mining Act. In other words, the Ministry of Natural Resources controls directly the operation of pits and quarries on crown land. The impression the minister tried to leave apparently is that because these pits and quarries would come under the Mining Act, there was no need to have this bill applied to the whole province in terms of designated areas.

Hon. Mr. Auld: Mr. Speaker, if the member looked at subsection 2 of that section he would see that the Lieutenant Governor in Council can designate other areas, so that there is provision to deal with the north.

Mr. Wildman: Mr. Speaker, I mentioned that when I began. I'm not satisfied with that. I don't think it should be left purely to the discretion of the minister—basically that's what it means—to decide whether or not he is going to designate the other areas.

I've been concerned about this for some time. When it was announced by the minister that he was going to bring in changes, I thought finally they're going to include the north and they're going to deal with that. But when we come back to the bill, all it does is deal with the areas that are already designated under the old act and makes a provision, as the minister points out, that other areas may be designated. I emphasize "may be designated." We have no commitment that they will be.

On the point made by the minister in his correspondence with me that these other areas are controlled by the Ministry of Natural Resources under the Mining Act, I have a number of problems with that. In the areas that are not on crown land, in the pits and quarries that are not on crown land but are not in the three small designated areas of northern Ontario, in that whole area of northwestern Ontario there is no control.

There is no control at all if it is on private land in an area that is not designated. As a matter of fact there's a place in my riding—the minister may correct me on this—where I'm pretty certain that the township of Thessalon is not part of the designated area immediately around Sault St. Marie; it's too far out. There is a great deal of aggregate in that area. As far as I know that area is being mined indiscriminately for transportation of a great deal of that aggregate to southern Ontario.

They're taking a whole hill; they're going to wipe out a whole hill—a small mountain. They put it on trucks and then barges at Thessalon for transporting it across the lake to Collingwood. There, it is put back on trucks and brought down here to Metro because apparently these isn't enough aggregate available in this area to meet demands. I suppose because the minister has control here, there isn't as much indiscriminate development of aggregate deposits in southern Ontario as it is possible to carry out in the Thessalon area. So fine, they go and get it from Thessalon.

I want to make clear I'm not opposed to the development of agregate deposits in the north. Obviously, if we're going to build roads —and we need roads, we need a lot more roads and a lot better roads—then we're going to need aggregate.

[5:00]

Why should we have the aggregate without the control? Those pits are going to be worked out eventually. Right now there is no provision for a pit on private land in an undesignated area to be rehabilitated. Anyone who has travelled across northern Ontario has seen and experienced not only the great scenery and beauty but also, every few miles along the highway, an abandoned pit.

It appears, despite what the minister says about control under the Mining Act, that the main culprit is the Ministry of Transportation and Communications. MTC seems to have a licence to develop whatever pits it wishes, wherever it wishes, whenever it needs aggregate for repairs to highways or for rebuilding highways.

Mr. Foulds: Including in provincial parks.

Mr. Wildman: That's right; there are even some in provincial parks.

I want to conclude by saying that although I support the principle of the bill, we should have more accurate and determined methods of control over the development of pits and quarries and for their rehabilitation. My position is that it should apply right across the province. The north should not be singled out.

I want to make one other point. The minister made an argument in which he stated: "No new designations have been made in the last three years because of government constraints on personnel and funding. Because of the relatively large increase in staff and funding required to cover the whole province, the original plan was that the new act would apply only to the parts of Ontario that are designated under the Pits and Quarries Control Act. We have a number of requests to designate the whole province, with the result that the matter of further designations is under review."

Obviously it was under review, but it wasn't decided that it should be included in this bill. I wonder if the minister could indicate how much more money it would cost in terms of funding and personnel in order to designate the whole province—or at least to designate the populated areas. I am not asking him necessarily, although the Speaker may disagree with me, to designate the Hudson Bay area, but surely he can designate the areas where we have highways, populations, municipalities and where we have private land. That's the important thing—the areas where we have private lands that are not located in designated areas. Maybe the Mining Act will cover crown land, although I have some serious doubts about MTC and the way it operates on crown land. But what about the private lands in undesignated areas? This bill should apply to the whole thing.

When it goes to committee, I assure the minister we will be proposing an amendment so we no longer have the discrimination this bill proposes between southern and northern Ontario.

Mr. Eaton: Mr. Speaker, I rise to speak on this bill because it particularly concerns my riding. I guess 90 per cent of the resource in five or six counties in southwestern Ontario is located within the boundaries of my riding of Middlesex.

I also want to put on the record some comments on behalf of my colleague the member for Durham-York (Mr. W. Newman), who wanted to speak on this bill but who had to attend a meeting. He indicated he wants to see this bill go to the resources development committee. It is a matter of importance to him as well, since there are some 50 pits in his riding he is interested in and concerned about. He is prepared to have a lot to say on the bill when it gets to committee. I assure the minister that I will have a lot more input at that time also. I just wanted to speak briefly to the bill now, because I know there are others who want to speak on it and the time is somewhat restricted.

This bill concerns a matter with more than one side to it. There are people in my riding who would not allow another pit to be developed if they had their way, yet it is a resource of the utmost importance to the progress and needs of our area. There are others who would go ahead and do just about anything they pleased on the operating of a pit and not have any controls put on them whatsoever.

Neither position is acceptable. I think we must look for a position that is suitable to see the needs of the area supplied, with controls acceptable to the communities in which we live.

I've seen a situation I particularly don't like; it's hard to take a shot at one's own ministry, but I'm going to have to do it. We have situations where time has been spent in public hearings meeting the requirements of the previous act, to see a pit licensed and all the necessary—I think they are necessary —steps taken in getting that licence and in seeing that all the requirements of operating that pit are met. Then, within a week, someone comes along and applies for a wayside-pit permit and it is issued very easily and very quickly; they don't have to meet the same requirements. They haven't had the cost of developing the pit and they're in competition with the people who have already gone through all the steps of developing a pit.

I say to the minister that there is going to have to be a solution worked out between his ministry and the Ministry of Transportation and Communications to eliminate this conflict. I know it means cheaper supplies of aggregate to our Ministry of Transportation and Communications when a highway is being built, but it is utterly ridiculous to put some operators through what they have had to go through to get their licence for a pit and operate a pit and then see someone else come in a mile down the road and not have to meet those requirements.

I say to the minister, that goes a little further. It goes not only to the operations between the two ministries, it goes to the controls the townships have been able to have over some of these operations.

The member for Welland-Thorold (Mr. Swart) talks about all the pits around the country that haven't been taken care of. A lot of those pits are there because of our municipalities. They were municipality-operated pits and at that time they didn't take any responsibility. Now the very same municipalities are turning around and holding up for ransom legitimate pit operators who are putting up their berms and meeting all the requirements and carrying out their work properly and who have already rehabilitated some pits and done a good job, an excellent job, at it. The municipalities are taking money out of the operators they shouldn't be taking out of them, for road work and so on which has already been committed, through licensing fees and other methods.

This legislation is going to get some working over in committee. The resources development committee has been one to do that, as some honourable members who have been on it have seen in the last little while. My friend the member for Durham-York, who's on that committee, and the member for Wellington-Dufferin-Peel (Mr. J. Johnson), who will be on it in this next session, are prepared to work on those kinds of items to see this bill come around.

We support this bill in principle on second reading to see it come to committee. But I assure the minister that a lot of us are going to have a lot of input into this bill when it gets to committee.

Mr. McKessock: Bill 127, An Act to revise the Pits and Quarries Control Act, is welcomed by my riding, realizing that changes were needed. This bill is of much concern and significance to Grey county because of the fact two thirds of the aggregate reserves of southwestern Ontario are located in Grey county.

The mineral aggregate study which was conducted by the Ministry of Natural Resources determined that southwestern Ontario had about six billion tons of high-grade, quality sand and gravel and that four billion tons of this are located in Grey county. However, we are concerned about the impact the removal of this natural resource will have on the individual municipalities and the county as a whole. We do not want to suffer environmentally or economically because of this natural asset. Removing such a large amount of aggregate will have a very serious effect on our road system, both in trying to maintain these roads to accommodate large trucks and in inconvenience due to extra traffic in the years of gravel extraction. Our roads and bridges are not built for such a venture and building and rebuilding roads would be a continuous task.

Most natural assets such as large waterways, which have encouraged cities and industries, tend to continue to benefit the area as time goes on. It's hard to see anything but hardship from this natural resource; depleted gravel pits, poorer roads, business tax gone, thousands of acres of topsoil gone. What then will this land be good for? What will the townships do with all this residual land?

Residual land is what Art Fields, chairman of the Grey county aggregate committee, told me we would have. I was not sure what residual meant so I looked it up in the dictionary. It says: "Residual: A disability remaining after a disease or operation." Disabled land is what we'll have. It would never be reclaimed for farming.

For these reasons, we feel it is very important that to compensate for these hardships and depleted resources a licence fee of 10.5 cents per ton be charged. The minister will notice this is an increase in what he has suggested, but we feel it is very important that this licence fee be increased, eight cents per ton to go to the local municipality from whence it came; one cent per ton to the counties or regional municipalities; a half-cent per ton to an abandoned pit or quarry fund and one cent per ton to the province.

I realize these fees are going to be set by regulation, but I want the minister to take note of the increase Grey county has suggested for the municipality. This is an increase of four cents over what the government suggested back in June when they put out information regarding licence fees.

Some have requested that the regulations be put before us at the committee stage and I would ask the minister if he is going to do this.

We feel certain other parts of the act are wrong. For example, only some areas of southern Ontario are covered by the act. We feel that all of southern Ontario should be covered. Under section 7, we feel the figure of 20,000 tons of aggregate is not high enough. We feel 35,000 tons of extraction should be allowed under a B licence. Having to jump to an A classification puts considerable hardship on a small operator with the extra cost in acquiring an A licence.

Municipalities should be contacted and given a chance to be heard under the annual review and not just once in five years as has been suggested in the bill. Some consultative mechanism should be set up so the minister has to consult with the local municipalities before he overrides a local bylaw to issue a permit, as he could do under section 27. If an agreement hasn't been reached with a municipality after this consultation, the municipality should have the right to take the issue to the OMB. Too many times in this act the minister has power to override municipal restricted-area bylaws.

The minister should not be allowed to alter permits, which this bill allows, without consulting with local municipalities.

When it comes to crown land, the licence fee should not go directly to the Treasurer of Ontario but should be disbursed in the same manner as if it were non-crown land. After all, the local impact will still be there, the same municipal roads and bridges are going to be used.

It is my understanding that nothing in this act allows the minister to freeze aggregate areas. I want the minister to assure me that this is correct.

[5:15]

I understand this bill is going to committee for clause-by-clause examination and that municipalities and interested groups will be allowed in at that time to make their views known; certainly Grey county representatives will be there.

This concludes my remarks on second reading and I look forward to the bill going to committee.

Mr. Renwick: Mr. Speaker, I doubt whether I will have an opportunity to make any submissions or participate in the hearings on this bill when it is in committee. Undoubtedly, if time permits I will because of its importance.

We in this caucus had difficulty in deciding whether to support the bill or not and the effective words which led us to support the bill are contained in the purpose clause which states the purposes of this act are, amongst other things, to provide for the management of the aggregate and crown aggregate resources of Ontario.

It goes on to other matters, but the key words and the matter which is of immense concern to us is that finally the government has assumed the responsibility for the management of these public assets. I will be interested, when the minister winds up this debate on second reading, if he will clearly indicate the extent, degree and ways in which he intends to carry out the mandate he is asking from this assembly and which we gladly give to him to manage these public assets in a way that will best serve the purposes of the people of the province. Particularly when they are in a very real sense fungible, they are not going to be there at some point after they have been used, even though they can be qualified and a price ascribed to them.

In that sense the depletion of provincial resources today is of immense importance to our party because we are interested in the conservation aspect as well as the exploitation aspect of the resources of the province.

There are two or three matters which specifically concern me. One is I hope the minister will allay the concerns of the assembly when he says the Lieutenant Governor in Council may designate parts of Ontario in which this act and the regulations apply and put us all to rest on that question. The intention should be to make this act apply to the whole of Ontario, right from its inception and from the assumption by him of the management of these resources.

For him to accept the responsibility for management and then to wait a period before he assumes the jurisdiction to manage those assets across the province seems to us inadvisable.

I don't have very much of value to say, but I may just wait for the minister to take his seat and perhaps listen to the debate. Maybe we could recess for a few minutes and have a cup of coffee or something like that. I have great respect for the minister but I will just wait until he has finished his discussions around the chamber.

I won't repeat myself, Mr. Speaker, because I know the minister always reads what I have to say in Hansard.

I did want to say I would like an explanation on why the definition of aggregate is different to the definition of crown aggregate. For example, I find that diatomaceous earth is included in crown aggregate but must necessarily be included in other aggregate only by way of prescription, as well as marl, for example. Marl is included in crown aggregate but is not, by name, specified in the definition of aggregate.

As a layman in the assembly, expecting people in the province as laymen to read this statute and understand it, it seems to me one could have said aggregate was the same whether it was crown aggregate or not crown aggregate. Perhaps the minister can in some way explain that to me. If the minister is not aware of them, I do have the definitions here of diatomaceous earth and of marl. I could put them on the record but I am quite certain the minister is familiar with those terms, as I know he is with berm and hectorage as well as the other technical terms which occur throughout the bill.

One of the other matters of very real concern to me is the whole process by which the public is involved in participating in the decisions which are made. Because I believe it to be part of the bill, I particularly refer the minister to the provisions of section 12, which again, together with section 21 applies when the Ontario Municipal Board is holding a hearing under section 22 of the bill. For example, I am extremely concerned when it is the decision of the minister as to who may be given standing before the Ontario Municipal Board. This whole question of standing in process before any of the bodies which the government establishes, let alone the question of standing before the court, is really becoming a mess.

I notice the introduction of what to me are significantly new and different and inconclusive words. For example, section 12(7): "Upon receipt of a notice"—that is, a notice from a member of the public that a hearing is required before the board. "Upon receipt of a notice under subsection 6 that in the opinion of the minister discloses an interest in the matter that is sufficiently substantial to warrant a hearing and is not frivolous or vexatious, he shall refer the application and the objections to the board for a hearing."

Surely it should be possible for the board to make that decision. Surely the notice which the minister is to receive could be transmitted to the board and the board could make the decision as to whether or not it disclosed an interest in the matter that is "sufficiently substantial to warrant a hearing and is not frivolous or vexatious." It is customary to allow the body which conducts the hearing to make the determination about whether or not the board should hold a hearing with respect to it. In this instance I think it is just too restrictive in as important a consideration as this for the minister to be able to make that decision.

In section 22 when the board decides, as I understand it the board can specify who shall be parties to the proceedings. Again that raises the question about what the criteria will be which will determine whether a member of the public has standing to appear before the Ontario Municipal Board. It is very much the kind of basic and fundamental question which was raised in the bill debated in this assembly last week by the leader of the official opposition, the member for Hamilton West (Mr. S. Smith).

I trust that during the course of the committee hearings on this bill the whole procedure of public involvement and public participation and the right to appear before the Municipal Board will be thoroughly canvassed so that we have the reality of public participation and not just the form of it; so that we have the substance of it and not just a bill that sets out an elaborate procedure, about which, by the time one has completed it, one has the sense that one has chased a shadow rather than the substance of the kind of participation which should take place.

There are few if any extant pits and quarries in Riverdale, but I think the issue of the way this government is finally going to deal with the pits and quarries operations across the province and the way in which we dispose of this public asset, defined of course in technical terms in the bill, is of such immense importance that regardless of the areas we represent, we are concerned about the process of the bill.

It was interesting to me that a member of the government benches, the member for

Middlesex (Mr. Eaton), would speak critically about the bill. We all recognize there are very real conflicting interests involved in the settlement of the questions as to the extent and time and way in which these resources will be exploited.

It is the very need to resolve and to compromise those conflicting interests which may be involved on any application for a licence or for a permit that requires these public hearings to make certain the public participation role is guaranteed in a real and substantive way in the procedures finally adopted.

Mr. McGuigan: My purpose in rising in this debate is because I live on a gravel ridge on highway 3, between Blenheim and Ridgetown. It is actually the former shoreline of the lake and has two great purposes; growing fruit and being used as an aggregate. I am sorry to report the second is really becoming the dominant force. As one drives along highway 3 today it's pretty much a matter of pits.

I remember as a child when many of those pits were established, some of them going back to the turn of the century. I don't go back that far, but I remember the pits from about 1930s. They were used for indiscriminate uses; for dumping, for storing old abandoned equipment and were a general eyesore. When the act came in in 1971 to provide for some rehabilitation, it was quite an improvement. Since that time the active pits are being managed in a much better way.

I just point out I am very much in favour of the purpose of this bill. It provides for the management of the aggregates. When the aggregate is taken from our pit to neighbouring towns or villages and put into parking lots or concrete or whatever masonry structures it is put into, it has a limited life. At some time or other it is dug up again and taken away. Most of it comes back onto our clay lands in landfill sites. Perhaps it is there for good engineering reasons, but certainly not reasons that the local people are willing to accept. It seems to me that a good deal of that rubble, without garbage or organic matter in it, should come back into filling up these gravel pits.

To some extent that is beginning to happen, no thanks to government regulations but mainly because of the opportunities some of the owners see in rehabilitating this land. Quite recently, in putting in a connecting link in the town of Blenheim—and it is sort of ironic that the town of Blenheim sits on gravel—the engineering specs called for the excavation of the subsoil, which was gravel. They have taken it out now and are filling up one of the gravel pits with that subsoil. In the meantime they're digging another gravel pit to replace the soil in the town of Blenheim, which is already gravel.

[5:30]

We need better management of these resources. If this act brings about better management, it will be appreciated by the people of my riding and especially by the people in the two townships of Harwich and Raleigh, where the gravel ridge is covered.

I would just like to say a word or two about the rehabilitation. Many of the pits in my area go back to the turn of the century, and the people who benefited from the sale of that gravel have gone to their reward; the land has passed to their heirs and is of doubtful value to them. I rather balk at the suggestion that all of the costs of these rehabilitations should go to the present owners. When the land was originally sold, it was not sold at a price that would include the cost of rehabilitation.

Another point about rehabilitation is that the cost of rehabilitating various pits or quarries can be quite different. It seems to me it's very cheap and very easy to do it in the sand and gravel pits in my riding, because it simply means a matter of sloping the sides, planting a bit of grass and leaving it in a level condition. I would hate to see a situation where one type of pit or quarry is cross-subsidizing another type of pit or quarry. I would suggest that matter be looked at in committee.

Also, on the matter of securing the permission of present owners as to whether or not it should be rehabilitated, I'm not suggesting that the ministry would want to run roughshod over the present owner, but it would seem to me that in the event that permission was not granted there should be some method of appeal, possibly to the Ontario Municipal Board, or a hearing in which it could be decided that rehabilitation should go on in spite of the fact that the owner might not be in the health or state of mind to grant permission to do the rehabilitating.

The hour is getting late, Mr. Speaker, and I think most other points have been covered, so it's with a great deal of pleasure that I give my support to the principle of this bill. I look forward to making further comments in committee.

Mr. Warner: I appreciate the opportunity to participate in this debate. For me the issue of abandoned pits and quarries goes back to July 17, 1978, when, unfortunately, a young lad who I had known for some time—a friend of the family—drowned in an abandoned pit located near Military Trail

and Morningside Avenue in Scarborough. From that day until now I have spent a great deal of time doing research and contacting people in various fields throughout the province regarding the safety aspect of abandoned pits and quarries.

I will tell you, Mr. Speaker, that I've been quite encouraged by comments from people in my own municipality, from my own municipal council and from members of this assembly. I am not going to take the time to go through and read the letters I received back from members of each of the three parties, but I can tell you that I certainly appreciate the interest that members have taken in this very serious issue.

It is fair to say there has been a great deal of confusion over the years about who is responsible and who should be responsible for the safety aspect of an abandoned pit or quarry. I realize—and I don't mean to say it in a highly critical way—the government has had some difficulty in determining where the responsibility should lie.

In August 1978, I got a letter from the member for Muskoka (Mr. F. S. Miller), who was then Minister of Natural Resources, which mentioned that the responsibility really rests with the Ministry of Labour and that he had forwarded my inquiry to the director of the mining, health and safety branch of the Ministry of Labour.

Then the portfolios were changed and the member for Leeds (Mr. Auld) was appointed the Minister of Natural Resources. I wrote to him, and I got a letter back on November 24, 1978. He told me there would be a new act, "but the new act will not include any legislation pertaining to safety problems, as this responsibility falls within the purview of the Ministry of Labour."

I wrote to the Minister of Labour, and on December 7, 1978, I got a letter back from the Minister of Labour (Mr. Elgie). It is a lengthy letter, but in part it reads: "With the passing of Bill 70, all provisions of the Mining Act will be administered by the Ministry of Natural Resources, except those relating to health and safety while the mine is in operation. Thus, once that takes place, perhaps you might wish to approach Natural Resources again about changes to that act."

He sent me back to Natural Resources, so I then drafted a bill, a private member's bill, and introduced it in the House. I was quite pleased that in the May 1979 edition Gravel Extract, the magazine put out by the Foundation for Aggregate Studies, they mentioned the bill I had put forward and they supported it. They also ran articles on the same subject in the issues of February 1979 and October 1978. In October 1978 they said something I thought was quite significant:

"The rehabilitation of pits and quarries should involve more than building a berm or planting a few scraggly trees to screen off the view of the mess inside. It should at least restore to a good condition, if not make over an improved form. It is important to think of rehabilitation not as an activity separate from mining, but as a part of the total process. This means that the planning process must encompass efficient operation of the pit right through to final rehabilitation.

"Two criteria must be met in good rehabilitation: (1) restoration of a landscape that is in character with the area; (2) creation of a condition that relates to and supports future land uses beneficial to the community."

Encouraged by that, I started to make contact with every municipality around Ontario and I discovered from the correspondence that then took place that I was on the right track. I had mailed to me an article from the Ottawa Journal, dated April 25, 1979, regarding the "death quarry" on Montreal Road. The city of Ottawa, faced with the serious problem of an abandoned pit where there had been a drowning, attempted to pass legislation which would render that area safe. They lost in the courts. The message was that they couldn't do it; it required provincial legislation.

Knowing I was on the right track, I maintained my correspondence with the municipalities. I'm pleased to report there are approximately 150 municipalities in the province that have supported my private member's bill.

Before the chair gets all excited about me talking about a private member's bill, knowing that this bill was coming forward I took my private member's bill and had it drafted into an amendment. The amendment fits into section 33 of the government bill, perfectly in keeping with the principle of that section. It will allow for the safe restoration of abandoned pits and quarries.

The correspondence from the municipalities was quite rewarding. I heard in positive support from the regional municipalities of Durham, Niagara, Waterloo and Peel; from the counties of Huron, Kent and Perth; from the municipalities of Port Stanley, Machin, Nottawasaga, Galway and Cavendish; from the villages of Zurich, Paisley, Lakefield, Elora and Chesterville; from the corporation of Ridgetown, the district of Sioux Narrows, and the improvement district of Opasatika; from the cities of Guelph, Thunder Bay, Mississauga, Barrie, Scarborough, Kingston, St. Catharines, Windsor, Nepean, Toronto,

Kitchener, Orillia, Burlington, Brantford, East York, Oshawa, Thorold, Stratford, Metro Toronto, and North York; from the towns of Renfrew, Perth, Onaping Falls, Fort Erie, Kingsville, Prescott, Goderich, Milton, Ancaster, Dresden, Whitby, Deseronto, St. Mary's, Ajax, Pelham, Fort Frances, Tecumseh, Rayside-Balfour, Thessalon, Paris, Blind River, Newmarket, Blenheim, Little Current, Wallaceburg, Napanee, Valley East, Bradford, Exeter, Gananoque, Aurora, Powassan, Parry Sound, Vankleek Hill, Ingersoll, Oakville, Durham, Grimsby, Petrolia, Markham, Elliot Lake, Whitchurch-Stouffville, Kirkland Lake, Geraldton, Richmond Hill, Newcastle, and Amherstburg; and from the townships of Anderdon, Plympton, Chatham, Red Lake, North Dumfries, Colchester North, King, West Carleton, Adjala, Hinchinbrooke, Papineau, Hay, Anson, Hindon and Minden, Romney, Ops, Coleman, Pittsburgh, Manitouwadge, St. Joseph, Georgian Bay, Michipicoten, Cardiff, Admaston, South Dumfries, Malden, Schreiber, Sebastopol, Thurlow, Barclay, Harwich, Ennismore, Tiny, Wellesley, Baldwin, Raglan, Brock, Lavant, Dalhousie and North Sherbrooke, Owens, Williamson and Idington, Norwich, Faraday, Gosfield North, Maidstone, Eilber and Devitt, Georgina, Smith, Johnson, Verulam, Stanhope, and Flamborough.

Not only did those municipalities and towns, villages and cities send me their support but many of them elaborated. Many pointed out the serious problems they have had over time with the abandoned pits and quarries and they're concerned that there be some legislation around the safety aspects.

For example, the township of Schreiber—I'm sure the real Speaker, not the deputy, would enjoy the comments—whole-heartedly supports the minister's Bill 185 and any amendments to the Pits and Quarries Control Act that would allow the township of Schreiber to take action necessary to eliminate a long-standing hazard in Schreiber. Like Scarborough, Schreiber lost a life in an abandoned pit some years ago and is vitally concerned in preventing a similar incident.

Unfortunately, we're not able to force the owner and operator of the pit to rectify the situation as contemplated in the bill. Council has since purchased the abandoned pit with the long-term view of providing parking for an arena. Council, however, wishes to commend the minister for his initiative and expresses its support of the bill.

[5:45]

The town of Blenheim mentioned they've had similar tragedies as referred to in the correspondence "with gravel pits adjacent to us in Harwich township." The town of Little Current mentions they do not have any pits or quarries, but can certainly understand the problems and hazards they can create.

Fort Erie says they hope the bill, if passed, will eliminate the dangers that sometimes remain with abandoned pits and quarries.

Durham, Ontario, mentions that in addition to the support letter they sent back they will be notifying their local member of Parliament, the Minister of Natural Resources and the Premier regarding the town of Durham's concern over the condition in which some excavations have been left around the province. It is their council's feeling these should be rectified immediately.

Perth, which is close to home for the Deputy Speaker, says at a meeting of the Lanark county roads committee held on March 13, 1979, this matter was thoroughly discussed by the committee. "Although the members of the committee support the intention of the bill, it unfortunately will not solve the problem in this area due to the fact that the townships within the county of Lanark are not designated townships under the Pits and Quarries Control Act."

While the minister may very well agree with the amendment I am putting forward, one of the problems raised by Perth is the problem to which my colleague from Algoma referred. They mention here that although Perth supports the bill which I put forward, the problem in their area is the fact that the townships within the county of Lanark are not designated townships under the Pits and Quarries Control Act. It would make sense then that we have to deal with the entire province.

They go on to say, "Some municipalities have passed bylaws under the Municipal Act in order to reduce the type of hazard you have described. However, an amendment of the Pits and Quarries Control Act would not cover any of these townships in our county. Perhaps you could consider this aspect when proposing your bill, since it is my understanding that the new mineral aggregates act to be presented to the Legislature also only covers certain municipalities within the province of Ontario."

The town of Thessalon mentions: "There are a number of large pits in its area and within a few years one or two of them close to Thessalon will likely be abandoned when they could be a serious hazard if not made safe before abandonment. At times they constitute a danger to children even when dry and in use."

Gateway to the Kawarthas, Lindsay: "At a meeting members considered the problem which exists in many parts of the province and passed a resolution to support your efforts in this matter. I have taken the liberty of sending this on to our own member to see if additional support can be provided to you."

From Anson, Hindon and Minden: "Council members are genuinely concerned about the dangerous situation abandoned pits create and trust suitable measures will be introduced to protect the public from such hazards."

From the town of Napanee: "It was felt abandoned quarries do cause a very serious hazard and your orders should be required to make these as safe as possible."

The town of Whitchurch-Stouffville not only supports the bill but says: "There should be more control over the construction of berms between pits and abutting owners. This municipality wants assurance that four cents a ton will be paid to municipalities on gravel mined. Processing plants should be licensed and regulated. Site plans should be circulated for wayside pits before licences are issued."

That is just a sampling, Mr. Speaker. There is widespread concern across this province about the safety aspect of abandoned pits and quarries. Quite frankly, I was very disappointed when the bill came forward that it did not provide all of the measures needed. The bill does provide some measure of safety with respect to the new licence procedures but not for the abandoned pits and quarries. It's deficient.

It seems to me if we are going to pass a comprehensive bill dealing with pits and quarries in this province, we owe it to the people to make as sure as possible we will have safe conditions. I don't ever want to experience another drowning in my own area because an abandoned pit was not rehabilitated in some way, was not made safe.

The minister well knows—and I'm sure he will speak positively about it—a variety of things can be done to an abandoned pit. It can be drained and made into useful agricultural land. On the opposite side, I have a lengthy and detailed proposal from the Ontario Water Ski Association which claims they can make excellent use of an abandoned pit which contains water for safety instruction and teaching water skiing.

What I'm saying very clearly to the minister is that regardless of the use to which the abandoned pit or quarry is put, the very first consideration is an obligation to make that area as safe as is reasonably possible. That concern is reflected throughout this entire province, as shown by the sample letters I read.

I look forward to this bill going to committee because it is my intention, to bring forward at the appropriate moment an amendment to section 33 which will accomplish the very thing I've been talking about.

I indicated to the minister back in 1978, at the very beginning of this issue, that I thought this is the kind of thing we can do together, as a Legislature. The last thing in the world I want is to see it become some kind of political issue. I don't think it has to. But I also indicate to the minister I will not be moved from my position. If the minister cannot simply accept the amendment I am putting forward, I will have to move it in committee and I will have to ask for a vote.

I hope it doesn't come to that because I think one thing we all have in common in this place is an abiding concern about the safety of the citizens of this province. That's what I've attempted to address.

Mr. Foulds: Mr. Speaker, I have a few remarks I would like to make in winding up for my party the debate on this bill. I rise with some reluctance because we have serious reservations about the bill, and while we will not oppose it on second reading, if the bill is not substantially amended in the committee hearings that have been mentioned time and time again this afternoon we reserve the right, and serve notice now, that we will be voting against the bill on third reading because it is seriously flawed.

However, at the present time, two elements and two principles embodied in the bill are supportable and are the reasons why we will not vote against the bill at this stage.

The bill is a rare one for this Conservative government. It provides for two positive steps. First, unlike the Mining Act, the bill actually envisages, as my colleague from Riverdale indicated, the management of a resource. Would that we had that principle embodied in the early history of this province, either in the Mining Act or the Crown Timber Act, or both. For that small mercy, that small principle, we in this caucus, to whom the management of conservation of our resources, and the wide use of them for the development of this province are essential, are thankful and support the bill.

Second, the bill does provide for a rehabilitation fund so that pits and quarries need not remain the blight on the province they have in the past. It is on those two critical

points that we are in agreement with the government.

However, we have serious reservations. One, the environmental provisions of the bill are woefully inadequate. Two, the appeal mechanism is lopsided; it favours only those who are seeking a licence. Three, municipalities are given very little protection. The minister's authority to override the municipality zoning bylaws is enormous; we feel that either the municipalities must have the right to appeal to the Ontario Municipal Board to overturn the granting of a licence when this happens, or the municipalities must be given the power to deny the licence, which the minister can then appeal to the OMB. There must be that right of appeal.

It is a disappointment—in fact I'm insulted by the map that was included in the Mineral Aggregate Resource Management booklet, a map of southern Ontario barely including Sault Ste. Marie and Sudbury. It doesn't even include the real north. This bill should include the whole province; those areas that the minister wants exempted should be exempted specifically and he should have to come in with a new bill every time he does that.

Hon. Mr. Gregory: The bill's the pits.

Mr. Foulds: The bill's the pits, right. We find it an insult to the people in northern Ontario. There is far too much ministerial discretion.

There is a point, if I may say so. The record of the mines branch of this ministry in the proper development of the resources in this province has been woefully inadequate. We do not see any hope if that branch has the responsibility for this act—or the lack of this act—in northern Ontario.

Interestingly enough, we also have embodied in this bill the principle of taxation by regulation that we, in this party, have consistently opposed. That is the assessing of the fees for the licences is set by regulation. That is taxation, as OHIP fees are taxation, by regulation, to which we object because every time the government is given power to tax by regulation they are being given power which they should not have, that they should have to come back to this Legislature for.

Those are the very serious reservations that I have about this bill. There are many others that I won't go into in detail but, as I said, it is important that there be substantial revision of this bill during the committee stage or, frankly, we will clearly vote against it and call for division on third reading.

Hon. Mr. Auld: I will be brief and, hopefully, you will find that the clock is a little fast, Mr. Speaker. I want to make a couple of comments.

It is true that we are anxious that the bill go to the standing committee. I anticipate there will be a good deal of discussion on the various detailed points of the bill; this is apparent from the debate this afternoon and it is apparent from the representations that have been made to the ministry since the bill received first reading.

I would like to touch on some of the points. First of all, naturally I'm pleased to see that both parties are supporting the bill, although the New Democratic Party has some reservations. However, generally speaking, I think it has been recognized that the present act requires substantial revision; that is what we are proposing to do.

Our intention is to improve the whole process of protecting the resource, planning the operation and, finally, returning the land to a form compatible with its original condition. [6:00]

A number of points raised by honourable members are matters of detail and will be dealt with in the clause-by-clause discussion, but the Ministry of the Environment will continue to review and comment on site plans for pits and quarries and continue to enforce the Environmental Protection Act and the Ontario Water Resources Act with regard to pits and quarries. There was some misunderstanding there.

Pits and quarries must comply with restricted-area bylaws under the proposed legislation, except for existing licensed pits and quarries and established pits and quarries in newly designated areas.

We conducted research through the University of Waterloo which indicates the amount of money provided under this act for rehabilitation of abandoned pits and quarries would cope with the problem in about 10 years, which is a reasonable time frame as the people who will be paying for it are not the people who caused the problem.

One other minor point: notice is published, according to the act, in a newspaper in an area where the pit or quarry is proposed and anyone can object and appear before the OMB.

The member for Algoma asked about the approximate number of people and the additional money required to cover the whole province. I am informed our current estimate is about 21 people and about $850,000, not quite double the budget and the staff we currently have.

The member for Riverdale asked me to describe how we propose to manage the resource. I am afraid that would be impossible.

We propose to manage the resource using the various sections of the bill, many of which are interrelated and I hope when the committee meets we will have an opportunity to make a presentation indicating the mechanics involved in the bill before we start dealing with it clause-by-clause.

The reason for the two different definitions, the definition of aggregates and of crown aggregates, is because crown aggregates will include all those substances now dealt with under the Mining Act, which the member for Algoma referred to and subsequently will all be dealt with by this act. We will no longer be dealing with pits and quarries under the Mining Act in northern Ontario and under the Pits and Quarries Control Act in southern Ontario.

Finally, to the member for Scarborough-Ellesmere, I can only repeat what I wrote him in a letter. I appreciate and thank him for his concern. This bill is an act to control and regulate the operation of pits and quarries and to provide for their rehabilitation. It has not been designed to deal with safety matters. As he is aware, safety matters in an operating pit or quarry is currently a matter for the labour safety branch of the Ministry of Labour. It may be that it is an appropriate matter to be brought before the committee and I have asked my staff to look into the situation and maybe we will have further remarks when we get to the relevant section in the bill.

With those remarks, Mr. Speaker, I close.

Motion agreed to.

Ordered for standing resources development committee.

The House recessed at 6:05 p.m.

APPENDIX

(See page 5653)

ANSWERS TO QUESTIONS ON NOTICE PAPER

MULTICULTURAL POLICY

374. Mr. Dukszta: Will the Ministry of Housing outline in detail what initiatives, if any, it has undertaken since May 1977 to reflect the multicultural policy enunciated by the Premier at that time? In its reply, will the ministry outline specific policies, programs, procedures and appointments undertaken to recognize that Ontario is a multicultural society? What, if any, other initiatives are to be expected in this fiscal year? (Tabled December 3, 1979.)

Hon. Mr. Bennett: In order to deal with the public, either by telephone or by letter, the ministry has on file in its personnel branch a list of employees who are fluent in 55 languages other than French and English.

New programs such as the white paper on the Planning Act are advertised in ethnic language newspapers as well as in English and French weekly newspapers.

Regular seminars on subjects dealing with multiculturalism are held for Ontario Housing Corporation staff members to help them better understand the particular needs of the various ethnic groups.

OHC provides rooms in several of its developments to enable tenants to attend English classes for new Canadians given by the various boards of education.

The ministry also has a representative on the interministerial committee dealing with Asian refugees and last year it had a representative attend, as an observer, the provincial government's interministerial committee on multiculturalism.

375. Mr. Dukszta: Will the Ministry of Community and Social Services outline in detail what initiatives, if any, it has undertaken since May 1977 to reflect the multicultural policy enunciated by the Premier at that time? In its reply, will the ministry outline specific policies, programs, procedures and appointments undertaken to recognize that Ontario is a multicultural society? What, if any, other initiatives are to be expected in this fiscal year? (Tabled December 3, 1979.)

Hon. Mr. Norton: Additional time will be required to prepare a response to this answer. A final answer should be available about mid-March 1980.

376. Mr. Dukszta: Will the Ministry of Culture and Recreation outline in detail what initiatives, if any, it has undertaken since May 1977 to reflect the multicultural policy enunciated by the Premier at that time? In its reply, will the ministry outline specific policies, programs, procedures and appointments undertaken to recognize that Ontario is a multicultural society? What, if any, other initiatives are to be expected in this fiscal year? (Tabled December 3, 1979.)

Hon. Mr. Baetz: Because of the volume of information requested, we require additional time for the preparation of the answer. The final answer will be ready about mid-March.

377. Mr. Dukszta: Will the Ministry of Labour outline in detail what initiatives, if any, it has undertaken since May 1977 to reflect the multicultural policy enunciated by the Premier at that time? In its reply, will the ministry outline specific policies, programs, procedures and appointments undertaken to recognize that Ontario is a multicultural society? What, if any, other initiatives are to be expected in this fiscal year? (Tabled December 3, 1979.)

Hon. Mr. Elgie: Additional time will be required to prepare a response to this answer. A final answer should be available about mid-March 1980.

378. Mr. Dukszta: Will the Ministry of Industry and Tourism outline in detail what initiatives, if any, it has undertaken since May 1977 to reflect the multicultural policy enunciated by the Premier at that time? In its reply, will the ministry outline specific policies, programs, procedures and appointments undertaken to recognize that Ontario is a multicultural society? What, if any, other initiatives are to be expected in this fiscal year? (Tabled December 3, 1979.)

Hon. Mr. Grossman: The Ministry of Industry and Tourism acts as the co-ordinator and administrator of the Ontario 20 government information program, working with individual ministries to develop information for ethnic newspaper, radio and television advertising.

The Ontario 20 advertising program, now in its sixth year, consists of basic information messages that present details of the Ontario government's range of programs and services available to all citizens of Ontario. The advertisements are designed to communicate in the reader's/listener's own language.

The current program for 1979/80 consists of a total of: 122 newspapers serving 32 ethnic groups in Ontario; TV commercials produced in 10 languages—Italian, Portu-

guese, Greek, Spanish, Chinese, Yugoslav, German, Indian (English plus 14 dialects), Macedonian, Ukrainian. These are shown on ethnic TV programs in Toronto, Sault Ste. Marie, Sudbury, Windsor, Hamilton, Thunder Bay and throughout the Global network; radio commercials translated into 35 languages on ethnic programs broadcast over 27 radio stations in 25 Ontario cities.

The ethnic broadcast messages describe specific government programs and invite people to write, in their own language, to Ontario 20, Queen's Park, for additional information and assistance with specific problems. The citizens' inquiry branch of the Ministry of Culture and Recreation services all inquiries to Ontario 20.

379. **Mr. Dukszta:** Will the Ministry of Consumer and Commercial Relations outline in detail what initiatives, if any, it has undertaken since May 1977 to reflect the multicultural policy enunciated by the Premier at that time? In its reply, will the ministry outline specific policies, programs, procedures and appointments undertaken to recognize that Ontario is a multicultural society? What, if any, other initiatives are to be expected in this fiscal year? (Tabled December 3, 1979.)

Hon. Mr. Drea: It is the stated objective of the consumer outreach program that initiatives will be for those consumers who are disadvantaged in knowing their rights by either language, geography, income, or handicap. Therefore, multicultural groups are a priority for service.

It is the policy of the registrar general and the residential tenancies program to provide telephone and over-the-counter service in a variety of languages, because these are two of the most public ministry programs.

The ministry in the present fiscal year has taken special effort to initiate discussions with the Ministry of Culture and Recreation to maximize resources.

Programs include workshops on consumer rights and responsibilities conducted with over 15 multicultural service groups across the province; groups have been used to comment on the five most popular consumer materials and how they could be applied in other languages; an average of four advertisements per year for the last two years have been placed in the ethnic newspapers; discussions are under way with the new multicultural television station to develop a consumer program to be translated into many languages; and meetings have been held with five major ethnic organizations to develop better ways of handling consumer information.

An inventory of languages spoken was developed last year in the ministry and is distributed to all frontline inquiry staff in ministry programs and the field, for assistance in translation. In addition, the staff of the consumer information centre speak English, French and Spanish and have an ongoing network of all major languages through the inventory.

The communications co-ordinator for the ministry has been charged with giving special attention to multicultural services in the ministry, and particularly, communications concerns.

During the balance of this fiscal year, the ministry anticipates the following initiatives: Major input into the research of the Ministry of Culture and Recreation to determine the information and service needs of non-English /French-speaking people; the development and evaluation of an information program in the ethnic communities, ESL program and ethnic media on compulsory automobile insurance as a prototype for programs that have a particular effect on this client group; the development of two learning packages for the English-as-a-second-language program; a major emphasis in the communications program for the Residential Tenancies Commission; and the translation of key consumer-related materials in conjunction with community agencies.

380. **Mr. Dukszta:** Will the Ministry of Government Services outline in detail what initiatives, if any, it has undertaken since May 1977 to reflect the multicultural policy enunciated by the Premier at that time? In its reply, will the ministry outline specific policies, programs, procedures and appointments undertaken to recognize that Ontario is a multicultural society? What, if any, other initiatives are to be expected in this fiscal year? (Tabled December 3, 1979.)

Hon. Mr. Wiseman: The Ministry of Government Services essentially provides support services for ministries and agencies of the Ontario government. As a result, the programs of the Ministry of Government Services generally do not have a significant direct involvement with the public, but rather support the service needs of other ministries. This ministry has been and will continue to be committed to equality in its hiring practices.

381. **Mr. Dukszta:** Will the Solicitor General outline in detail what initiatives, if any, it has undertaken since May 1977 to reflect the multicultural policy enunciated by

the Premier at that time? In its reply, will the ministry outline specific policies, programs, procedures and appointments undertaken to recognize that Ontario is a multicultural society? What, if any, other initiatives are to be expected in this fiscal year? (Tabled December 3, 1979.)

Hon. Mr. McMurtry: Additional time will be required to prepare a response to this answer. A final answer should be available about mid-March 1980.

FRENCH-LANGUAGE EDUCATION

391. Mr. Bounsall: Will the Ministry of Education indicate what funding has been made available or funding commitment made to school boards choosing to respond favourably to the Minister of Education's October 5, 1979 announcement on French-language education? If the ministry has made no specific commitment to allocate additional funds for francophone education, will the ministry state if and when such commitments will be made? Will the ministry indicate whether it will provide the necessary funding for: 1. Additional francophone teachers; 2. additional administrative staff; 3. additional clerical staff; 4. school facility alterations required to establish French-language entities in the school system? (Tabled December 4, 1979.)

Hon. Miss Stephenson: The funding for mixed language secondary schools and homogeneous French-language secondary schools is currently under review. Although I am unable to indicate the exact nature of the funding mechanism at this time, I would like to reiterate the government's commitment that the 1980 general legislative grant regulation will provide additional funds for the establishment and support of homogeneous French-language secondary school entities and for the expansion of the French-language programs in mixed schools where they remain by local agreement. I intend to announce the details of our support in the very near future.

393. Mr. Bounsall: Will the Ministry of Education list all communities with mixed French/English schools where no meetings or action have taken place as a result of the Minister of Education's October 5, 1979 announcement on French-language education? (Tabled December 4, 1979.)

Hon. Miss Stephenson: There are no communities with mixed French/English schools where meetings have not taken place as a result of the October 5, 1979, announcement on French-language education.

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No. 142

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Official Report (Hansard)

Third Session, 31st Parliament
Tuesday, December 18, 1979
Evening Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8:00 p.m.

OCCUPIERS' LIABILITY ACT

Mr. Sterling, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 202, An Act respecting Occupiers' Liability.

Mr. Sterling: Mr. Speaker, perhaps the reason I have been given the privilege of carrying this bill is that, unlike the Attorney General (Mr. McMurtry), I represent both an urban and a rural constituency. This bill is extremely important to the farmers of my area in eastern Ontario and I know it is important to the farmers in the rest of Ontario as well.

I know it is also important to the urban members, but the agricultural community has been waiting for some time for this piece of legislation. I really feel it is a privilege, as the parliamentary assistant, to carry this bill forward.

I am pleased to bring forward two bills tonight, Bills 202 and 203. If there is time this evening after the Legislature has considered Bill 202, I will be introducing Bill 203, An Act to protect against Trespass to Property. That particular act replaces law which is some 145 years old.

In May, 1979, the Attorney General issued a discussion paper, which he tabled with the Legislature, on occupiers' liability in a trespass to property.

This paper has generated discussion and the Attorney General has received some 200 responses to it. In his opening remarks introducing this for first reading, he indicated there were some minor amendments made to the legislation from that proposed in the discussion paper to the bills presented to the Legislature on December 11. I hope to be able to explain those changes and answer any questions.

In 1972, the Ontario Law Reform Commission published its report on occupiers' liability in which it recommended the enactment of legislation imposing on occupiers one duty of care. In the view of the commission the judge-made common law, with its system of classifying entrants as an invitee, a licensee or trespasser, was no longer adequate to govern the liability of occupiers. I can remember as a student of law one of the most difficult areas of law to understand surrounded this very topic of occupiers' liability. It was difficult to read a case and determine how a court decided whether a person entering on another person's land was an invitee, a licensee or a trespasser. Indeed, in many judgements one was somewhat suspicious of the reasoning supporting the finding of trespass in any one of these particular categories.

This bill basically follows the commission report by replacing the numerous duties of care that an occupier of land now owes to entrants to his land by one primary duty of care; that is to take such care as in all the circumstances it is reasonable to see that persons entering the premises are reasonably safe while on the premises. Sections 2 and 3 of the bill are designed to accomplish that purpose.

The government felt it desirable to depart from the commission recommendations to deal with several issues that are of significant importance to Ontario residents. One of those issues is a responsibility an occupier owes to those who come on his premises with the intention of committing, or in the commission of, a criminal act. Although it is likely that a court would find that such an entrant had voluntarily assumed his own risk, the government felt it desirable to state this in legislation.

While occupiers will still be prevented from using excessive force against persons entering for a criminal purpose, they should not be required to see that the premises are reasonably safe for such unexpected entrants.

A more important issue upon which the government felt legislative direction should differ from that recommended by the law reform commission is the duty of care that an occupier of rural land owes to persons who are trespassing and the duty he owes to persons he permits to use his property for recreational activities without charge for the entry or the activity.

In 1975 the government appointed a group of knowledgeable persons from many walks of life to investigate the status of trail recreation in all parts of Ontario. Public hearings were held throughout Ontario over a period of two years by the Ontario Trails

Council. In its 1975 report, the council stated that the foremost impediment to broader recreation trail use and development in Ontario is the current responsibility before the law of the land owner or occupier towards people invited or trespassing on his property. In a discussion paper published by the Ministry of the Attorney General, as mentioned before, the following proposal was made:

"To protect the interests of the agricultural community and to promote the availability of land for recreational activities, special protection be given to occupiers of certain designated classes of land. Where entry is prohibited to these lands, or where entry is permitted for recreational activities without charge, the occupier's liability be limited to dangers created with the deliberate intent of causing harm or acts done with reckless disregard for the entrant's presence, the entrant to be deemed to have willingly assumed all other risks."

The opinion of more than 100 recreational associations that responded was unanimous. They were all of the opinion that the recreational entrant should assume his own risk of injury. The agricultural community as well, of course, is in agreement.

Section 4 of Bill 101 has been revised from the draft that was contained in the discussion paper. The classes of land to which the reduced duty is applicable have been modified in light of the public comment we have received. However, the principle that entrants who are trespassing and those who are on the land for recreational puposes assume their own risk has not been altered.

The remaining sections of this bill are basically the same as those recommended by the Ontario Law Reform Commission and those that have been outlined in the discussion paper. I hope that this bill, and the next bill which we will introduce, will clear up a confusing part of the law of Ontario.

I know some members of the Legislative Assembly wish this to go to a standing committee. I would not like to commit myself to doing that at this time, but I would listen with an open mind to any member's rational reason for doing that.

Mr. Lawlor: I thought you had committed yourself.

Mrs. Campbell: I was told that you had committed yourself.

Mr. Sterling: Mr. Speaker, the understanding I have at this time is that I am not certain of the feelings of all the members of the Legislature on that particular matter, but I will listen and I think—

Mr. Lawlor: We came here with a certain understanding.

Ms. Gigantes: An undertaking.

Mrs. Campbell: That was my understanding.

Mr. McKessock: Let's finish it all up tonight.

Mr. Sterling: Mr. Speaker, I would also indicate there are several members on the government side who wish to speak on this particular matter and who have asked to take part in the rotation of the members.

Mrs. Campbell: Mr. Speaker, I am a little disturbed at the closing remarks of the parliamentary assistant. My understanding was that the Attorney General—first of all I was told the bills would be debated tonight because the minister could not be here this afternoon; second, I was advised that the minister had committed himself to having this matter go to the resources committee.

I find it very difficult, Mr. Speaker, in this House at this time, to find commitments made and broken with great regularity. I was advised some time ago there would be no legislation, save two bills, brought forward after November 1. That went by the boards.

It is difficult. We do try to co-operate where we feel it is in the best interests of the people, but this sort of development leaves us in a very equivocal position. I cannot do other than express my resentment of this treatment.

Mr. Sterling: On a point of privilege, Mr. Speaker: I consulted with the House leader for the New Democratic Party and did not give any commitment on that basis. There's some confusion as to where the official opposition stood on this matter. I spoke to the agricultural critic on it but I didn't speak to the House leader for the opposition.

[8:15]

Quite honestly, I was waiting to understand what the majority of the Legislature wanted. If the majority of the Legislature or the Liberal Party want the bill to go to the standing resources development committee that's fine and dandy by me. I don't think I have ever tried to mislead this Legislature and I take some objection to those comments.

Mrs. Campbell: I'm sorry if the impression was left that I said the parliamentary assistant was attempting to mislead the House. I put it specifically, I thought, on the door of the minister himself. I quite understand the parliamentary assistant may not have

had communicated to him that which I understood was communicated to us by the minister, not by the parliamentary assistant.

In speaking to the bill, I believe it is time we codify the matter of occupiers' liability, I have no difficulty with that at all. I believe, however, there are some flaws in the bill that ought to be the subject of correction, perhaps an amendment. It has nothing whatsoever to do with the agricultural provisions but with the recreational provisions.

I have a little concern that as I understood the common law it had falteringly moved forward to give some kind of in-depth protection to the child who came on the premises, that a higher standard of care would be applied. This does not seem to be the case. I would like the opportunity to debate that at some other point.

That is not a matter of the principle of the bill, so I can say that we support codification of occupiers' liability at this point.

Mr. Lawlor: Mr. Speaker, we will support the bill with the gravest kinds of reservations and on the understanding that we have a chance to clarify and work out, not only in terms of principle itself, because there has been a very grave breach of the basic principle consummated by the Attorney General, but on the basis of wording and how to construe this legislation, particularly section 4 in both bills. These are visitations from above.

In 1973 the Ontario Law Reform Commission set forth a model statute on occupiers' liability. That has not been followed. It has been severely departed from, so much so that it justifiably caused considerable concern as to the reasons that go into that and as to the impact of those reasons over against the whole purport of the law.

There is a totally different understanding now, and to pretend that section 3 is the governing section is quite erroneous. Section 4 is the tail that wags this peculiar dog. Section 3 was the blue-eyed creature, the one the Ontario Law Reform Commission recommended to the minister after considerable study.

When I consider English law, how it so-called broadens down from precedent to precedent—in most instances, within any eon, most painfully; and in no area more painfully than in the area of occupiers' liability law. From the time that law was solidified, and indeed made classic in the famous case of Indermaur versus Dames in 1866—Lord, what law students have lived with. As the parliamentary assistant pointed out in his initial statement, the divisions and categories were on the basis of land interest only and not on the basis of the persons involved. You could see the kind of monetary and the kind of proprietary interest involved in those days, Mr. Speaker, which were the heyday of capitalism. Since that time it has severely declined, largely through the instrumentality of people like the Minister of Industry and Tourism (Mr. Grossman).

In the course of decline over the years, the various categories have been eroded. The invitee, for instance, the highest and most supreme category of them all, was not a guest, not a beloved one, not someone who came as a friend to one's property. One's friends were second rank. Number one in this particular categorization was he who came to do business with you, Mr. Speaker. Whether he was a scoundrel or not didn't matter one iota; he was carrying the necessary wherewithal upon his person that gave him the sovereign right to be protected against all harm.

The second category, the licensee, was a guest on the premises; invited, permitted to be there. One was not to set traps for him; that is traps of which one had knowledge.

Finally, there was that pariah among all human beings, the untouchable known as the trespasser over against the sacred rights of retention, assertion and acquisition of property. We know that English law was like that in all its tort aspects; it gave priority to tangible goods over against human beings for five centuries. It is only of recent vintage, in recent years, that a certain humanization has taken place. That humanization has taken place precisely in this area of law, along with others.

I will cite in a few moments the famous doctrine which changed our whole perspective on law over the years, the case of Donoghue and Stevenson. The smell-in-the-bottle case, the case in which, for the first time, the judges of the high court of England, the House of Lords, said, "Who is my neighbour? What duties if any, do I have toward another human being living in proximity to me, or to a human being who may come in contact with me? Who is my neighbour and what are the responsibilities in this context directed on to the law; not who owns what?"

This law, as I see it here, is basically retrograde. It is a reversion and an enfranchisement of that reversion into the terms of this particular statute. It has to be discussed in depth, at length and with a thorough understanding. Perhaps there are adequate justifi-

cations and grounds over against particular interests in the community that would warrant it, but it bemuses me—it doesn't amuse me actually but does the contrary.

I wish the Attorney General of this province were here. He is the chief law officer of this province. By definition, according to McRuer, according to any theory of constitutional law as to the role of an Attorney General, he stands above all other cabinet ministers. He is relatively and by absolution nonpartisan. His legislation is directed to the sovereign whole, to the benefit of everybody in the widest possible sense.

He is not the Minister of Agriculture and Food. I give every credit to a Minister of Agriculture and Food for promoting to the hilt and in the best possible way the interests of the community which he is appointed to represent; or to the Minister of the Environment with respect to related groups; or the Minister of Energy with respect to the interests of Ontario Hydro. That, in each instance, is their job.

But that's not the job of the Attorney General. He is not transcending his function at the present time; he is becoming a guttersnipe politician working for particular interests and allying himself in a purely political way with particular partisan causes. That is not his function and he's betraying himself.

He's done it with the police bill; he's doing it in this particular legislation. It's blatant and it's overt and it has to stop. "McMurtry manouevres" I call them. They are a betrayal of the office and lend very great strength to saying that he no longer knows the caps he's wearing and that he with malice perpended launches himself into particular areas representing sectarian causes. That it is not lies in the mouth of an attorney general of any province or anywhere, and it wouldn't be known in the other jurisdictions. Becoming a political creature in that sense is to degrade the office. I hope these sentiments are conveyed to him in this particular regard.

Let's look at some of the background of this legislation. I want to refer to the case that has caused apparently all the difficulty, the case of Peter Veinot versus Kerr Addison Mines Limited, a case decided in the year 1974 in the Supreme Court of this country.

The Supreme Court of Canada hasn't been known for its forward actions, for its bold and imaginative ventures into reforming the laws of this country. It hasn't been overwhelmingly progressive in this regard. Even the House of Lords, if I may say so, shows a far better grasp of contemporary conditions and contemporary situations. It has not even done so under the aegis of Chief Justice Laskin, who has been the beacon of the court and who has usually had to live under a shadow, namely, the great dissenter, always in the minority, always almost alone, trying to shape law, to give it an overall contour. That's what I'm after here.

There are two elements in contemporary tort law that shape the whole thing, from trespassers' liability on one side of the fence, to manufacturers of automobiles on the other. One element is foreseeability. What can one see ahead? What could one predict? What would be likely? What could be predictable in a particular circumstance? One weighs that. That's the job of a judge, to weigh that particular concept in an overall way and shape the law not on a causality basis, or not on a half a dozen other grounds which are the ancient basis of the law of wrongs, or tort, but on the basis of foreseeability. That is the prime approach.

The second approach, as I indicated, is set forth in the Donoghue decision. I will recite very briefly the facts of this case.

A snowmobiler, with long experience and very much aware of the hazards of snowmobiling, with all the needed equipment against danger, et cetera, riding along a logging road up around a place called Virginiatown, in northern Ontario, in the winter, et cetera, got onto a well-travelled portion of that road. As he came along at night he was struck by a pipe across that road at the same level as the head of the driver of a snowmobile and was severely injured.

The question was whether there was any liability on Kerr Addison Mines in this particular matter, with respect to that obstruction place in the roadway. True, it was placed there 20 years before. It wasn't lighted and there were no markings or signs to indicate its presence.

The court, by a margin of five to four, on the basis of a judgement rendered by Mr. Justice Dickson, ruled that there was liability on the part of Kerr-Addison. And it was a breakthrough in 1974.

[8:30]

The law reform commission report was written in 1972, so they didn't have the benefit of this decision, but they're directly in line. What the law reform commission recommended in this context and what the highest court in this country came to at that time are directly affirmative. That principle is under question, scrutiny, or even fire this evening as a result of what the Attorney General, knowing these decisions, knowing the tenor of contemporary law, knowing the hard drive to bring it into its present condi-

tion, et cetera, has subverted, traduced, undermined, whatever word you wish, Mr. Speaker. It's in the process of being done, and being done rather blatantly, too, with a screen or aura as though they were performing some kind of benevolent function in the process of doing it. There is nothing like impudence in order to win assent. People's breath is taken away from it unless they're prepared to stand back and scrutinize what is actually happening.

I would like to read into the record the sum of what the learned judge, giving the judgement for the majority in the Supreme Court said:

"Dickson, J.: This is an occupiers' liability case. That branch of the law of negligence having to do with the duty owed to a visitor, or an intruder, by an owner or occupier of land has long been in an unsettled state due in part to the Procrustean and often vain attempt in an infinite variety of fact situations to fit a plaintiff neatly into the category of invitee, licensee or trespasser and then allow category to be the conclusive determinant of the landowner's liability. It has not been found easy to reconcile the Victorian landowner's unbridled rights with the modern law of negligence."

It hasn't been easy, but they're going to do it, and the Attorney General is going to undo it.

"Nowhere are the uncertainties more apparent than when one comes to consider the position in law of the trespasser, one who enters the land of another without consent or privilege, whether the entrant is a burglar or wandering child."

The Attorney General is making very little provision for wandering children in his legislation. There is no mention of it. It's one of the defects and, again, it has to go to committee in order to write a clause in giving specific cognizance to the role of the child and, to some lesser degree of liability touching allurement, a document that the courts had to dream up against the harshness and purblindedness of the common law, as it has been. They had to dream up fictions in order to protect the child from straying on to property and being hurt.

Whether the entrant is a burglar or wandering child, or an irreproachable wayfarer, the general principles historically applied were those expressed in Robert Addie and Son (Collieries) Limited versus Dumbreck by Lord Hailsham. This is the basic law on the thing and this is the basic law that the Attorney General revives in the very words of Addie and Dumbreck, which has been superseded here and which was overruled in the House of Lords in Great Britain. The Attorney General reincarnates it. He brings it back to life. It's the leading feature of his section 4. This is Lord Hailsham:

"Towards the trespasser, the occupier has no duty to take reasonable care for his protection, or even to protect him from concealed danger. A trespasser comes on to the premises at his own risk. An occupier in such a case is liable only where the injury is due to some wilful act involving something more than the absence of reasonable care. There must be some act done with the deliberate intention of doing harm to the trespasser or at least some act done with reckless disregard of the presence of the trespasser."

Let me pause there for a moment. When the law was initially taught and even prior to that time, do the members remember the famous case of the spring guns, the various forms of spear-like obstacles and catapults erected on the property, all perfectly legitimate up to a certain time in history, as the way of keeping trespassers out of property? In other words, up until the middle 18th century one was able to wound, harm and even possibly kill another human being in this particular regard.

At this point I want to break off for a moment from Justice Dickson's judgement and refer to an article published by the Law Society of Upper Canada, Special Lectures, 1973—the year before—written by a practising lawyer by the name of Percival, Recent Trends in Occupiers' Liability. He is talking to lawyers at the behest of the law society of this province, outlining and bringing up to date, as the law then stood, what the position for occupiers' liability was.

He says at page 105 of those lectures, "The law of occupiers' liability has remained largely unaffected by the broad principles of Donoghue versus Stevenson. The general law of negligence now requires one to take reasonable care to avoid acts or omissions"—that is the general law of negligence; automobiles or manufactured goods or a hundred other things—"which one can reasonably foresee would be likely to injure one's 'neighbour'. Our present approach to 'occupier' factual situation wholly ignores that principle.

"To understand why the law of occupiers' liability is so different, one must appreciate its genesis and development. The courts of England in the 19th century conceived the original principles of occupiers' liability to fulfil that country's then fanatical obsession with the sanctity of real property rights, even over that of human life."

Further on, after citing a number of cases, he is talking about a case called the Herring-

ton decision, which is a child injury case, British Railways Board versus Herrington, decided in 1972, 1 All England Reports, which overruled the House of Lords' decision. Lord Morris, for instance, said, "For the reasons which I have given I consider that the learned judge was warranted in deciding that the respondent was entitled to recover. It involves also that on its facts, the decision in the Addie's case should, in my view, have been the other way."

The House of Lords, one judge after another, knocked Addie's case down, knocked down the very principles the Attorney General has enunciated in this legislation, saying it was out of date, it no longer had relevance to the contemporary world and that other considerations apply.

I refer you to that and to Lord Wilberforce's statement, Mr. Speaker. Further down it says, "For the first time in the field of occupiers' liability the House of Lords was prepared to utilize the 'neighbour' concept. Lord Morris at page 767 put it squarely: 'Could a child such as the boy in the present case be regarded as a neighbour?' When Lord Atkin posed the question, 'Who then in law is my neighbour?' he said that the answer seemed to be 'persons who are so closely and directly affected by my act that I ought reasonably to have them in contemplation as being so affected when I am directing my mind to the acts of omissions which are called in question.' No one would suggest that every trespasser is a neighbour, but within these words, was not the small boy in the present case a neighbour?"

It goes on in that vein and develops the law as it stands at this hour in the province in which it has been adopted by the Supreme Court.

I want to go on at page 314 of the Veinot decision. Mr. Justice Dickson says: "These rules, of course, perpetuated the traditional 19th century concern for the sanctity of landed property. The general principle was that a landowner could do as he wished with his land. He owed no duty to an intruder, however accidental or inadvertent the intrusion, other than to refrain from shooting him or otherwise recklessly and wantonly doing him harm. The rigour of the rule is exemplified in such cases as Edwards versus Railway Executive. As could be expected, various inventions were employed from time to time to modify and ameliorate the harshness. In some of the cases the landowner's consent was implied or imputed, particularly in 'children's cases', the status of the intruder being elevated from that of a trespasser, which he clearly was, to that of a licensee, which he clearly was not.

"In other cases a generous meaning was given to the phrase 'reckless disregard' or a tenuous distinction was drawn between land in a static condition and land upon which an operational activity was being conducted . . ." the Attorney General is aware of that distinction and in his legislation he has given cognizance to the static over against something being done on the land, which had taken into the context of possibly injuring someone, ". . . productive of injury."

Now listen to this: "In time, two distinct, not easy to reconcile, lines of jurisprudence emerged. One perpetuated the letter and spirit of Addie's case. The other"—that is the line the Attorney General has taken in his legislation—"gave effect to changing ideas of social responsibility and imposed upon the owner of land duties well beyond those in contemplation in Addie's case. Commission for Railways (N.S.W.) v. Cardy and Videan v. British Transport Commission."

That is a case where Lord Denning had a hand in shaping this law, the great shaper of contemporary law in many areas. I looked up his volume before I came here, the one recently published by himself. He makes no mention of these cases at all. His reforming zeal is so great in other areas that he finds this not foremost in his mind. In the Videan decision he certainly was there.

These cases they are citing here ". . . presaged the change which found expression in the leading case of Herrington v. British Railways Board. That case was decided within the context of the Occupiers' Liability Act, 1957, of England, which imposed a 'common duty of care' "—without exceptions as the Attorney General has all over the place, just the common duty of care in this particular legislation—"on occupiers towards all persons who might lawfully come on to their land, but left unaltered the existing law as to the trespassers."

In other words, they set up a category of—what was he, guest, invitee?—which knocked out the distinction between the invitee and the licensee.

Later on the Scots, two years later in 1960, passed the Scottish Occupiers' Liability Act where they wiped out all distinctions. They are now proceeding, as I thought the minister was going to do with his legislation, in across-the-board fashion to leave it up to the courts to make the judgements and to weigh as to when a trespasser would or would not, within reasonable grounds, be awarded any compensation.

The same thing pretty well happened in New Zealand under their law. But not for Ontario. There are too many political considerations in Ontario. There are too many wooings. The Attorney General would too much like to be the number one politician in this province rather than performing the prime duties that he has of forwarding, consolidating, giving voice to, shaping and being aware of the best developments in the laws as they are coming through from all jurisdictions, in this case, particularly from Great Britain.

"In Herrington's case their Lordships exhaustively considered the nature of the duty owed by occupiers to trespassers. Lord Reid applied the subjective test. He said: 'So it appears to me that an occupier's duty to trespassers must vary according to his knowledge, ability and resources. It has often been said that trespassers must take the land as they find it. I would rather say that they must take the occupier as they find him." And that is a far better test—"take the occupier as they find him."

[8:45]

Later on in the same page, "So to the question whether an occupier is liable in respect of an accident to a trespasser on his land would depend on whether a conscientious humane man with his knowledge, skill or resources could reasonably have been expected to have done or refrained from doing before the accident something that would have avoided it. If he knew before the accident that there was a substantial probability that trespassers would come, I think that most people would regard as culpable failure to give any thought to their safety. He may often reasonably think, weighing the seriousness of the danger and the degree of likelihood of the trespassers coming against the burden he would have to incur in preventing their entry or making his premises safe or curtailing his own activities on his land, that he could not be fairly expected to do anything.

"If he could at small trouble and expense take some effective action, again, I think that most people would think it inhumane and culpable not to do that. If some such principle is adopted there will no longer be any need to strive to imply a fictitious licence."

The test of common humanity was also applied by Lord Morris, of Borth-y-Gest. "In my view, while it cannot be said that the railways board owe the common duty of care to the young boy in the present case, they did owe to him at least the duty of acting with common humanity."

The nature of the duty of care was described by Lord Wilberforce in these words. "Again, it must be remembered that we are concerned with trespassers and a compromise must be reached between the demand of humanity and the necessity to avoid placing undue burdens on occupiers. There is a balance there. What is reasonable depends on the nature and degree of the danger. It also depends on the difficulty and expense of guarding against it." The law, in this context, takes account of the means and resources of the occupier or other person in control. What is reasonable for a railway company would be very unreasonable for a farmer or, if this is relevant, a small contractor.

Lord Pearson used these words: "It does not follow that the occupier never owes any duty to a trespasser. If the presence of the trespasser is known to or reasonably to be anticipated by the occupier, well then the occupier has a duty to the trespasser. But it is a lower and less onerous duty than the one which the occupier owes to a lawful visitor. Very broadly stated, it is the duty to treat the trespasser with ordinary humanity."

That is the development of the law. In the next page he gives Denning's judgement, and I won't read it into the record. It is there for anyone who happens to be interested in this area of law and to see how that has developed.

Other members of the court, particularly Mr. Justice Martland, giving the dissenting judgement, et cetera, took a different view, a highly legalistic, technical view about implied licences and about the old definition of what a trespasser was. If he was technically on somebody else's land then he suffered the consequences and that was the way he ruled. Just as the Court of Appeal for Ontario ruled that way over against the decision of Mr. Justice Houlden, in the Supreme Court in this province, who, using the fictitious device of an implied licence to be on the land, gave the judgement in the first instance to the plaintiff.

That was heartening; it was a real advance in the law. It was a new approach and a broadening out of the principle of this whole area, making it applicable to a particular narrow segment of that area. The reaction with respect to it apparently has been intense and not weighing the various factors in a really forthright and objective way that had gone into the development of this area of the law.

At this point, I would like to make some reference to documents and remarks that have come into my hands about the Attorney

General. His parliamentary assistant, as I heard him say tonight, received 200 or so briefs of which we have been privy to very few. I am sure if this goes into committee some of these briefs might be made available to the members of the opposition who have responsibility for these matters.

Apart from that, in my hand I have a letter from a teacher at the University of Toronto faculty of law, Robert Pritchard. He sent a letter to the Attorney General on June 14, 1979. He says: "However, within section 4 you have proposed a very substantial exception to this general approach, in that on lands listed in section 4 the duty created in section 3 is not to apply unless the dangers were created with deliberate intent of doing harm or damage. As a result, one can immediately anticipate numerous cases in which a person will be badly injured by unreasonable conduct by the occupier of the land, but in which the injured individual will be unable to achieve compensation because of immunity created."

In other words, the act cannot be as the wording goes in this section, that the occupier must not create a danger with "deliberate intent," or with "reckless disregard." Nothing is said as to the "reasonable" that is mentioned in section 3. It goes beyond the reasonable. I would interpret it that one may act unreasonably provided he doesn't act with a deliberate intent to do harm. There are lots of gradation between unreasonable, reasonable and malicious, for heaven's sake, and the bill has carved out that area, giving complete licence to act as one will in that gambit of activity.

"These cases of persons going uncompensated, despite conduct by the occupier which was unreasonable in all the circumstances, will be tragic ones. They will often involve children. They will frequently involve very substantial individual damages. They will often lead to persons injured for life and left destitute. They will almost always involve people engaged in the most innocent of activities and they will often happen in circumstances where the land owner's conduct will be conduct which no one would condone. There will be cases that will result and they will bring the statutory reforms that you are now proposing under close scrutiny.

"I would suggest if this legislation were enacted and then a series of these injuries were to occur, which they inevitably will, a searching critique of the provisions of section 4 will be undertaken. At that time I suggest the criticism will be no less scorching than that which common-law lawyers have for years brought to bear on the present system of occupiers' liability."

Let me pause here just for a moment, Mr. Speaker. What the Attorney General is trying to do in the legislation is to wipe out a whole series of artificial, silly, archaic categories of the law. What does he do? He sets up a whole series—I won't say they're archaic because they're brand new—of categories of his own. He has five of them. If you don't like categories, Mr. Speaker, you can't be overly affectionate about the particular provisions of section 4 in this statute.

"At that time I suggest the criticism will be no less scorching than that which common-law lawyers have for years brought to bear on the present system of occupiers' liability. Again, we will have inequitable results, this time dependent not on the category of visitor, but rather on the category of land which the individual is visiting.

"Explanations of these results based on the statute will be no more convincing to injured members of the public than our explanations based on the common-law category inherent in the present system of the common law."

That is one remark. Just to take it a little farther, I have before me a letter from Stephen Fram. He is counsel to the policy development division. It is a letter directed to Professor Waddams of the University of Toronto law school. I take it that Stephen Fram has been involved in framing this and has had a great deal to do with this legislation; he wouldn't be writing this letter otherwise. We will no doubt meet with friendly, almost Christmas-like accolades some time late in January.

He says this in reply to the professor, and I will come back to the initial statement: "There is no doubt that section 4 would result in a risk"—this is what the minister's department says—"that some individuals be injured without the opportunity to obtain compensation. However, section 4 is not intended to exonerate the unreasonable occupier of land of the designated types."

I'll stop there and turn over to Professor Waddams' reply of July 11 this year.

"Thank you for your letter of June 28. In it you say, in paragraph two, 'However, section 4 is not intended to exonerate the unreasonable occupier of land of the designated types.' If this statement is true, section 4 must be amended, for 'exonerate the unreasonable occupier' is exactly what it does. Indeed, the only effect of section 4 will be to protect the unreasonable occupier, since one who acts reasonably cannot be liable in any event under section 3." That is true.

Mr. Fram says: "Section 4 is intended to inform the occupier of land of this type that he need not need any standard of care higher than that which is traditionally applied to trespassers. Given the nature of the lands to be included in section 4(3) we believe it would be reasonable for occupiers to be liable only for dangers deliberately or recklessly created. Section 4 can be perceived as a legislative direction as to how section 3 is to be applied in a specific set of circumstances."

What nonsense! No one could possibly read the two sections in conjunction, particularly when the minister says at the beginning of section 4, "section 3 doesn't apply."

Anyhow, much better than me, Professor Waddams says: "At the end of the same paragraph you say 'Section 4 can be perceived as the legislative direction as to how section 3 is to be applied in a specific set of circumstances.'

If the intention is to make section 4 subordinate to section 3, redrafting again is necessary. At present, section 4 says flatly: 'The duty of care provided for in subsection 1 of section 3 does not apply'." So how can Mr. Fram say it does when by express purpose it says it doesn't? It's been written in deliberately in that way in order to exclude it's operation.

Continuing with Mr. Fram's letter: "Very few claims arise out of the use of rural, nonindustrial land." If that's the case coming from the minister's department, why all the palaver? Why the elaborate gyrations to depart from what has been laid down as a model statute from the minister's own reform commission, and set up a wholly new clause which the law reform commission has never seen? No one with that kind of authority has ever had an opportunity to peruse, analyse, subject it to general examination.

A thing is issued in the spring across the board; it's not referred back to the law reform commission for reconsideration to see how fitting it is. Why? Because the minister knows it's too wretchedly political and too much a posturing to individuals, et cetera, to meet the accord of fair-minded, objective people who are trying to shape the law in a way that is outside and above partisan politics in its operation.

That's what the law reform commission is there for, so they can take the flak off the government, so they can act as a lightning rod and, thirdly, because of their erudition, because they know and they're living with contemporary law all over the world, which the government is not. They are in the members' weasel holes in Ontario, seeking out the largest advantage they can possibly find in any particular area of the economy to stay in office or to gain office. They'll sell their souls to whatever comes along. It's a betrayal of the basic concept of law, as I see it.

"Very few claims arise out of the use of rural, nonindustrial land. Nevertheless, the occupiers of rural land are fearful of claims against them. Though these fears appear groundless, the existence of fear results in the foreclosing of recreational activities to many individuals."

He says these fears are groundless and under the law as it was framed, I think, it could perhaps be strengthened with respect to orchards and lands under cultivation and that certain preservations could be made. But the minister doesn't have to go holus-bolus the way he has on this legislation in order to grind down and eliminate from existence the rights so hard won in a century of court proceedings. If he can't do something benign, he goes whole hog in the opposite direction and then absents himself from the House.

"It is impossible at present to convince occupiers of rural land that they have no justifiable fear of being wrongly sued and improperly found liable." I think that is true. I would like to see the cases in which these suits have been successful, despite the Veinot decision, about which everyone is somewhat hysterical.

"It is impossible to convince rural occupiers of land"—this is the Attorney General's department talking—"that the decision in Veinot was a misapplication of the principle that a person must take reasonable care not to injure his neighbour. It is fruitless to attempt to convince a rural occupier of land that occasional misapplications of sound principle leading to the possible over-compensation of some entrants on land do not justify the enactment of the principle that trespassers and recreational users of their land should not assume their own risk.

"It is clear that the brief submitted from the Ontario Trails Council and the ministry's discussion with organized recreational groups that most persons entering without charge on rural, nonindustrial land for recreational purposes expect to assume their own risk." I mention that because I suspect in his reply the parliamentary assistant will say that is the case. I only reply to him that he should pay some attention to what Professor Waddams and Robert Pritchard have indicated to him: it is not for any group within the com-

munity to surrender rights on behalf of the rest of that community, in any way, however well intentioned and whatever lengths they think they have to go to in order to achieve some small prerogatives.

The professor says: "You agree with me that the fears of nonindustrial rural occupiers are groundless, yet you say it is impossible to convince them this is so. If the arguments against the proposed legislation are soundly based they will convince reasonable people. If reasonable persons refuse to be convinced, their proposals should be rejected where they are contrary to what a reasonable person will perceive as the public interest.

"Let me remind you we are talking about the rights of innocent children, negligently injured to reasonable compensation. In paragraph four you say it is clear most persons entering without charge on rural, nonindustrial land for recreational purposes expect to assume their own risk. One may ask, risk of what? No one expects to assume the risk of unreasonable conduct and it is only unreasonable conduct that will attract liability in the first place.

"I would point out too, that the immunity in section 4 as presently drafted is not limited to nonindustrial lands. I regard railroads and utilities as industries."

He goes on in that vein. I trust the members have read these briefs and are up to date on them. We would like to peruse them. It will go into the total picture of what is involved in the legislation as it has come before us.

There are other things that must be discussed which have never been canvassed by the law reform commission or by anyone else. I am thinking of a doctrine in law having to do with consent, when a person consents to certain risks. As you know, in criminal law I can't consent to your assaulting me, Mr. Speaker. The law will not permit that kind of consent. In civil law it is possible to have a whole series of consents and this is one of them.

In the relevant section, it says, "The duty of care provided for in subsection 1 of section 3 does not apply in respect of risks willingly assumed by the person who enters on the premises." Back in 1973 the law reform commission referred to the doctrine of volenti non fit injuria, as it is called—everything is done in Latin because we can't speak English any more. It's an old doctrine in law and it's the way lawyers express themselves. It has its point, in any event.

[9:45]

What Allan Leal has said about this is that it really doesn't matter. The use of the consent has been severely cut back and is increasingly being narrowly construed by the courts and therefore the court won't take as consent what maybe a layman would consider to be consent. That's as far as they go on the issue in the law reform commission report. Then they cite three cases proving that proposition of the narrowing of the recognition of consent. I went to look them up and took just the headnotes of the three.

One of them has to do with a gratuitous passenger who is injured. This is the case of Car and General Insurance, in 1956. It says: "If the driver is held to have undertaken at the outset to drive with reasonable care, knowledge of the passenger at a subsequent stage of the journey of the driver's intoxication and of the risk thereby created does not operate to release the driver from the duty originally undertaken" on the principle of volenti. That's number one.

The second case has to do with a police officer. "The fact that a police officer is aware of a risk of injury which in fact befalls him in the discharge of his duty does not mean that he voluntarily assumes the risk." That's fairly commonsense. I don't know how that argues in the direction of saying that consent is being narrowly construed by the courts. I think it is a very special case; a case of a police officer.

The next case is the case of a driver who continues to drive although he is aware that he is sleepy. He is guilty of gross negligence when he falls asleep and the car goes off the road, killing a gratutitous passenger. So two cases are gratuitous-passenger cases.

In this case they said the gratuitous passenger could still recover, although he could hardly be expected to be fully aware of the sleeping habits of the man at the wheel.

I don't think the cases cited by the Ontario Law Reform Commission as to what weight one should give to volenti non fit injuria are either here or there, or help a bloody bit. I think we are going to have to get a better definition and write in what we mean. Some kind of amendment is probably in order with respect to that particular matter. It's left too much up in the air. It wipes too much out.

What risks are willingly assumed by the person who enters on the premises? I think the English legislation tries, up to a point, to clarify that issue and determine it to a greater extent than what is done here.

The wording about assuming all risks, et cetera: I think we need to go into committee in order to discuss what the ambit of those risks is, what the limits are in various cases.

Section 4(3) says: "A person who enters premises described in subsection 4"—that's that fairly long list of seven or eight categories—anybody falling under those heads "shall be deemed to have willingly assumed all risks." That has to be scouted. That has to be looked at carefully.

In a sense it was never done by anybody out there—I particularly think of law commission—certainly not by the law commissions in Great Britain or in New Zealand, who worked on the same area of law. They never saw this kind of wording in their lives and probably wouldn't believe it if they did see it. Ontario established a new norm of uniqueness in terms of pure persiflage. We have it before us today.

Also, a deeper interrogation of Hazeldean and Dawe, the decisions there with respect to an independent contractor, and the wording as to whether it's precise enough et cetera, seemed to be in order, as does the problem with respect to landlords and tenants as to the landlord's duties of repair and the provisions that have been made in that regard.

Then there is the whole area of higher duties—innkeepers' rights, common carriers or hirement for bailment of various kinds. I don't think that has had enough cognizance or enough time spent on it.

Regarding the role in master and servant relations, and the role in this statute as compared to the next one we will discuss, trespassing with respect to the labour law, picketing and the effects on the whole area of industrial relations are not mentioned here at all, despite the fact that section 4 picks up the massive prohibitions written into the Trespass to Property Act. The whole thing is picked up and incorporated within this legislation.

There is area after area, and ground after ground, upon which this legislation deserves and must receive, but never has received, adequate and determinate scrutiny

As I understand it—and my colleague who received the promise is here now—we came in here this evening with an understanding that this matter would go to committee. I wasn't sure, when the parliamentary assistant spoke previously, whether he was giving plenary assurances to that or vacillating a little bit. There will be no vacillation on this issue or there will be hell to pay in this House, I warn him.

Mr. J. Johnson: Mr. Speaker, I rise to support both bills, but Bill 202 to start with. I would like to make one comment in regard to something that has been told to me many times: We have too many lawyers in this Legislature and not enough people with common sense.

I find it extremely intriguing that a socialist should quote from the House of Lords, and quote lord after lord after lord. I resent the criticism of our Attorney General, who in his wisdom deemed to present this bill to the member for Carleton-Grenville (Mr. Sterling), his parliamentary assistant, who is more than able to carry this bill. I give the Attorney General credit for his common sense.

I think the member for Lakeshore (Mr. Lawlor) has suffered from his visit to New Zealand and has got mixed up in the trespass between the North and South Islands.

At this time, I would like to pay tribute to the member for Middlesex (Mr. Eaton) who, on December 1, 1977, introduced a private member's bill, An Act to amend the Petty Trespass Act. It was a bill that was long overdue, I say to the NDP members; not to the Liberals, because they seem to have more common sense.

[9:15]

The explanatory notes of that bill say: "The purpose of this bill is to remove from requirements for petty trespass that land be enclosed or that land must be posted before one can be considered a trespasser." It places the onus on persons to ask permission to enter on another person's land"—which is only common sense—"and it increases the maximum fine to $1,000 from the present $100. It removes liability from a property owner for trespassers unless deliberate intent to do harm to the trespasser is involved." This is something any reasonable person would surely accept.

Farm and Country December 20, 1977 says Speedy Action on Hunter Trespass Law Needed. The article reads:

"Our last editorial appealed for bright MPPs to pick up the ball and draft a private member's bill. One moved quickly. Robert Eaton, Conservative for Middlesex. His bill, the result of consultation with farmers and the Ontario Federation of Agriculture, meets the needs of Ontario rural communities. Mr. Eaton's bill, we feel, should be equally effective, especially when so many rural hunters have given it wholehearted backing. After all, most of those hunters also own farms and they have personal horror stories involving rogue hunters. Rural Ontario should give the MPP for Middlesex a vote of thanks, and in the next election a vote."

Another editorial, March 27, 1979: "Eaton Feels Trespass Row Solution Now Within Sight." That is if you people will agree.

This was a story in the Sudbury Star. Some members opposite might know where Sudbury is.

"The Ontario Legislature will soon be presented with revised laws governing trespass designed mainly to be of help to farmers and protect them from unjustified lawsuits. To a city dweller with scant knowledge of the problems presented by owning large tracts of property, not all of it visible from an upstairs window, it will come as a surprise to know how little protection existing trespass laws give the farmers. Why would a person who is not supposed to be on somebody else's property have any right to sue if something happens to him?"

Rights of Farmers Need Consideration." That was the paper in Sarnia, Thursday, April 25, 1978.

Farm and Country, March 27, 1979, carried a heading Revised Trespass Bill.

You people don't even know what trespass means. Bill 202, An Act respecting Occupiers' Liability, and the companion piece of legislation, Bill 203, An Act to protect against Trespass to Property, are both excellent bills.

As a member representing a rural riding, I know the vast majority of my constituents will be in strong support of this legislation. These bills achieve several significant and beneficial results. They are beneficial to the landowners, and especially to the farming community, but in the long run they are beneficial to the hunters, the anglers, the hikers, the campers, in fact all outdoorsmen. If this legislation is not passed there is going to be quite a controversy between the two groups; this is one way to help resolve it.

The benefits I perceive in this bill are several. One, it restores the property rights to the landowners, and especially the farmers, the people who daily live and work on their lands and have been the victims of trespassers for years.

Two, it relieves the owners of assuming the responsibility of injury to a person or persons on his property with or without his permission. The present law is completely unacceptable when a farmer can be held responsible for damage or injury to an individual trespassing on his property and he is not even aware they are on his property.

It reverses the burden of proof. Under this legislation the onus will be on the individual to prove he does have permission to be on someone else's private property.

There has been some concern regarding written permission. The concern many farmers have is that in granting written permission they also assume liability. This is not so. If an individual is injured on a landowner's property, whether the individual is there with or without permission, under this legislation the landowner is not responsible. This is the way it should be.

The fines for trespass are now realistic and meaningful, and should have some positive results.

One main point is restitution. The courts, under this legislation, would have the power to make judgement for damages up to $1,000. If the damages exceed this amount, the person suffering the damage has the recourse to seek further action.

Mr. Lawlor: He is on the wrong legislation. He is not talking about the same acts at all.

Mr. J. Johnson: Hell, you've been all over the place.

Mr. Acting Speaker: He is expressing his views as you have expressed your views.

Mr. J. Johnson: You were talking about NDP on the picket line, for God's sake. Where do the picket lines fit into this?

Mr. Acting Speaker: Order.

Mr. Warner: He's not on the right bill.

Mr. Acting Speaker: Order. He is speaking to the principle of the bill.

Mr. J. Johnson: One area of concern I have is in the signing of property. I would assume that property that is fenced or cultivated would not have to be signed; only vacant, unfenced land would fall into the category requiring signs or markings of some sort.

It is a wishful hope, but I did come into the Legislature tonight with the unrealistic hope that all members would support this legislation and possibly we could have it passed tonight. I know many of the Liberal members expressed the same sentiment, but unfortunately the members of the third party have different opinions and there is no way of changing.

I do hope it is passed for second reading, referred to the resources commitee, and we can then have proper hearings in January or February, not that it may be referred to the House in the spring and passed as soon as the House reconvenes.

Mr. Riddell: I will follow the trend established from the very beginning this evening when we started talking about these two bills. The parliamentary assistant alluded to both bills. The other speakers may have tried to confine their remarks to the occupiers' liability bill, but since they are companion bills on which most of us have something to

say we'll cover the ground now so we won't be getting up a second time.

I support both bills, but I do share the concerns expressed by the member for St. George (Mrs. Campbell) and the member for Lakeshore (Mr. Lawlor). They probably had every justification to vote against these bills on second reading. I can't do that, because I am speaking on behalf of the farming community and this is something for which it has been asking for a number of decades.

We recognize these two bills replace the current Petty Trespass Act, which is almost identical to the original passed in 1834. It is unbelievable that we are dealing with the same kind of legislation, with very few amendments, first introduced in 1834.

As the minister stated when he introduced this legislation on December 11 this year, these bills reform two different but related areas of law, the law governing an occupier's liability to those who come on to his land and the law protecting an occupier from trespassers to his land. A white paper for discussion purposes was tabled in May of this year by the Attorney General. Bills 202 and 203 are pretty well the same as the discussion drafts of the bill that were contained as appendices B and C in the white paper. Very few changes were made.

The minister indicated in the House that hundreds of letters were received by him on the proposals contained in the discussion paper. I can't understand why the Attorney General refused to introduce these bills prior to December 11.

He sent the discussion papers out to the various groups that would be interested in this subject and I am sure he got the responses. As a matter of fact I think he set a certain time frame in which he was to receive responses so that he could draft legislation.

Mr. Eaton: The end of June.

Mr. Riddell: All right, the member for Middlesex said it was the end of June. Surely, if he received these responses by the end of June he could have had sufficient time to draft legislation, get it into the House and, if need be, send it to committee and we could still have had the bill passed in its amended form ready to go into effect in the fall or winter months of this next year.

I also fail to understand why the Attorney General is not here to answer the questions we have on this legislation. I really think he is showing some contempt for this Legislature. I really think he is failing to assume the responsibilities he has as the Attorney General.

I have every respect for the parliamentary assistant, but the real concerns about this bill have been expressed by the member for St. George and the member for Lakeshore. I am not convinced that the parliamentary assistant fully understands it. I am not even too sure that the Attorney General understands it, but he should be here to listen to what is being said.

The member for Wellington-Dufferin-Peel gave the member for Middlesex all kinds of credit for introducing an amendment to the Petty Trespass Act back in 1977. I commend the member too, but I will say that the member's name came up in the lottery, he searched diligently for a bill to introduce, he went back to the resolutions and discussion papers the Ontario Federation of Agriculture put out and as a result of the work done by the Ontario Federation of Agriculture the member for Middlesex introduced the bill. I am going to say that back in December 1976 I wrote a letter to the Attorney General strongly urging him to review the current bill, the Petty Trespass Act.

Farmers, the Ontario Federation of Agriculture and such recreational groups as the Trails Council of Ontario have been urging the government for some few decades now to change the trespass law. For a number of years farmers have been exhibiting growing concerns regarding property rights for the owners of private land.

As leisure time and mobility increase for the public there are increasing demands for recreational pursuits. Farm equipment and farm activities may pose increasing hazards for intruders who may be unaware of the risks that could be encountered. The new law expands the classes of land that do not need signs in order to keep intruders out. This will include land under cultivation, gardens, orchards, vineyards and premises on which trees have been planted.

The government proposes to replace the existing trespassing prohibition with three specific offences: entry without permission; prohibited activity; and refusal to leave after being told to leave. The burden of proof to show that permission to enter was received would lie with the accused.

In addition to "no trespassing" signs, "no fishing," et cetera, the government intends to allow colour-coded signs. A sign with a picture of a diagonal line running through a fish or a horse would be permissible replacements for "no fishing" and "no horseback riding," but the federation of agriculture has indicated that such signs would be impractical, because we know what happened to the signs farmers had to post on their property

if they didn't want trespassers on that land. The signs were simply torn down and, once again, the farmer was held liable if anything happened to a trespasser while crossing his land.

Red markings on fences, trees and posts would mean entry is prohibited; yellow markings would mean entry is prohibited except for activities specified by the owners. It would be the responsibility of the person entering to determine which activities are permitted.

Changes to the Occupiers' Liability Act will mean that other than acts done with deliberate disregard for the presence of someone using the land, people who use other people's lands would be deemed to have reasonably assumed all risks. A land owner will have no duty of care to a trespasser on his land, other than to avoid creating deliberate hazards.

But I can understand the concerns that the members who have spoken have for recreational land, land that innocent victims, children, could wander on to feeling they had every right to be on that land. Of course, if the owner of the land was negligent—let me use an example. Maybe there was a well on this land and maybe the top had been removed, or maybe it was just a plank top and a child wandered on there and removed the plank, or if some branches had been blown across the top of the well and then snow had covered that, somebody who was snowshoeing, or a child could wander on there and drop into that well. I am not too sure that the occupier or the owner of that land shouldn't have had the responsibility to make sure there was a proper top on that well and I am not too sure that in that case the owner shouldn't have been held liable for negligence.

Mr. Laughren: What are you sure of?

Mr. Roy: No, no. He can take a flexible approach.

Mr. Riddell: That's right.

Mr. Roy: That's what he does. He is not like the NDP. They are sure about everything.

Mr. Riddell: I know what side I am on, but I can fully understand the concerns and for that reason I certainly don't object to the bill going to committee. I don't think the federation of agriculture objects, although I do know the farmers and the farm groups representing the farmers would like to see this legislation passed before the House prorogues. I don't think that is going to happen because, as I say, there are a number of very important matters that need to be discussed in committee.

The Ontario Federation of Agriculture made a submission to the government on this proposed legislation. They are pleased that the government has finally dealt with the concerns of rural property owners, especially farmers, regarding the free and quiet possession of their property and that for the first time since 1834 farm land is now recognized as private property and not as a playground for the province. Therefore, the farmers consider this to be a very important piece of legislation.

However, the federation of agriculture, as spokesman for the farmers, has felt that some improvements can be made and this is the reason they don't particularly object to the bill going to committee. Along with some other minor changes they would like occupiers to be so defined as to include a tenant, because we are seeing many more tenant farmers. If the Minister of Agriculture and Food (Mr. Henderson) and his colleagues over there are going to permit foreign ownership of land to continue, there are going to be more tenant farmers all the time and therefore we had better make sure they are included in this legislation.

The federation would also like the definition of "premises" to be expanded to include implements of husbandry.

These are some of the recommendations we will be making if this bill goes to committee.

I feel that the bill should be sent to committee for the reasons that have been outlined very clearly by the member for St. George and the member for Lakeshore. This also would give the Ontario Federation of Agriculture and other groups a chance to come in and make presentations.

But we certainly do support the principle of the bill in second reading and I hope we can expedite the thing through the committee. There's no reason in the world why it couldn't go to committee after the House prorogues and before it starts its new session in February or March. Then the legislation can be reintroduced for third reading and we can get it into law by March or April and it will be clear sailing from there on in.

Mr. Speaker, all I can say is let's work hard if it is going to go to committee, Let's expedite it, get it into committee, get it back into the House and then it will be in effect for the fall of 1980.

Mr. Warner: As the Speaker certainly recognizes, people in rural Ontario have had a very deep and legitimate concern about protecting their property as people from the urban centres endeavoured to use rural

property during recreational pursuits. I might say that some of the organizational clubs have had a concern as well, wanting to know what properties are available for snowmobiling and other winter activities, not wanting to intrude themselves upon farm property in an unwarranted fashion.

As the Speaker is well aware, the farm community of this province has served us well; it has served us in a fashion that is exemplary. It has provided for the people of Ontario a rich heritage in providing food for our table, in providing a moral and family standard to which we all subscribe. So when the farm community of Ontario raises a concern, every one of us should listen and listen closely.

Unfortunately the government has responded in a rather slipshod way. In fact, the government is misleading us; as the Speaker is aware, the explanatory note provided with Bill 202 is misleading. The explanatory note says, "The bill is substantially that recommended by the Ontario Law Reform Commission . . ." That's not true. It's not true at all. The parliamentary assistant knows that.

I must first put on the record my very deep regret that the Attorney General did not see fit to be here tonight. The minister of headlines couldn't find it in his capacity to be with us. That shouldn't surprise any of us, as each one of us knows there's only one reason why that minister brings forward legislation: he brings it forward only to capture headlines for himself; he doesn't have the least interest in presenting good legislation but only that kind of legislation which will garner him headlines.

Where is the Attorney General tonight? Where is he? He wouldn't lower himself to be in here tonight because he disdains this Legislature. It's such an inconvenience for him. The Legislature is an inconvenience to the Attorney General and you and I know that, Mr. Speaker.

This cheap attempt at headlines is so evident in the misleading explanatory note.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Drea: On a point of order, Mr. Speaker: I don't know that where the Attorney General is tonight is germane to second reading of this bill.

Mr. Warner: Mr. Speaker, the bill is in his name. I would expect that he would be here and he is not and I know why. He has already got the headline and that's all he cares about. He knows full well—

Mr. Eaton: You are being unfair. You are taking cheap shots. That's what the parliamentary assistant is for.

Mr. Warner: I will tell you I am sick and tired of his silly, cheap games. He can bring in legislation which purports to protect the farmers, yet at the same time distort the report from the law reform commission. The law reform commission certainly put forward the material that is present in section 3 of this bill, but they did not cut off the legal representation of citizens as is represented in section 4 of this bill. That is what bothers me.

Hon. Mr. Drea: You don't even know what you are doing here.

Mr. Warner: Now that I have roused from slumber the member for Scarborough Centre I may read to him the results from the case of Peter Veinot versus Kerr Addison Mines Limited in which the case, for my friends on the government side, is that there should be a reasonable level of care. It is called the neighbour principle as explained by the judges in the judgement on that case—that there should be a reasonable level of care extended and the Attorney General has decided to erase that.

If this bill passes in its present form, it turns back the decision that was rendered on the Veinot-Kerr Addison Mines decision, a landmark decision about the rights of individuals when they find themselves on private property. It disturbs me greatly. In fact, section 4 of this bill is a licence to be unreasonable, that's what it is. What the Veinot case found was if an individual through no negligence of his own found himself on private property and was injured he should be compensated. Section 4 of this bill negates that and says no matter what the private individual may do on his own property, there is no onus to be reasonable, no onus to maintain safe conditions on private property. That's what this bill says.

The parliamentary assistant knows that. The Attorney General knows that. That's probably why he isn't here tonight. This bill, in very straight legal terms, is a very dangerous kind of bill to civil liberties. The member for Scarborough Centre knows that, as well as other members of the Tory caucus.

[9:45]

Mr. Speaker, in the interests of good legislation, I will certainly consent to second reading, but I will serve notice that when this bill goes to committee section 4 has to be worked over very thoroughly, because it is dangerous to the rights of individuals in

this province. I'll tell you right now, Mr. Speaker, that if it is not worked over satisfactorily to protect the rights of individuals, I will vote against it on third reading.

It's really interesting how the government can decide that you can eliminate golf courses when not open for playing, but you cannot impose any obligation to maintain safe conditions on those golf courses. That's what reads through the entire bill.

I wish the member for Scarborough Centre would examine the bill carefully. I'm sure when he has he will agree with me that it is a very dangerous precedent to set.

Hon. Mr. Drea: When I want legal advice I will get it from someone who knows.

Mr. Warner: Go to a good lawyer.

Hon. Mr. Drea: You haven't been.

Mr. Warner: I have, I have been to several. What they tell me is if we pass section 4 of this bill it returns us to the law of 1866 under which residents in Ontario had no protection when they wandered on to private property. Not just adults, but children. Under this bill, if children happen to find themselves on private property and are injured, there is no recourse. And the minister knows that.

Other members have spoken about Bill 202 and Bill 203 because they are companion pieces of legislation. I understood we were dealing with the bills separately. I look forward to the debate on Bill 203, the bill which is essentially anti-labour legislation. I look forward to that debate.

Mr. Roy: Mr. Speaker, I would like to make a few comments on this legislation which I consider to be of prime importance because we're dealing with an area of the law which is extremely complex, the question of occupiers' liability and trespass. If I may, for purposes of reducing participation in this debate I will speak on both bills. The predecessor to Mr. Speaker in the chair seems to have allowed comment on both Bill 202 and Bill 203 because the ministry seems to consider that they are companion bills.

The first comment I would make is that I support the concern of my colleague from Huron-Middlesex that the Attorney General should bring in this legislation so late in the year and, therefore, on the basis of that make it very difficult to bring forward what we consider to be—and I think what most people consider to be—very important legislation, especially for the farming community and recreational community but also, by and large, for the public of Ontario.

It is somewhat annoying for those of us who participate in the legislative process and who take it seriously and try to have the best type of legislation possible, to first of all, have legislation introduced like the trespass act—which really is the first of its type, as my colleague from Huron-Middlesex has said, since 1834. This comes in after recommendations were made by the Ontario Law Reform Commission back in 1972. Those recommendations were made some seven years ago.

What makes it annoying is when the legislation is brought in and then we're told by the Attorney General: "Let's be expeditious about this. Let's see if we can't get this matter through." There is some suggestion by the Attorney General that he doesn't want any delay on the part of the opposition. In fact, the onus is often put on the opposition. If we participate not only on second reading but in committee, to suggest that the legislation go to committee is taken that somehow we are impeding the legislative process here. I consider that to be most insulting. My colleagues who have raised some concern about this are fully justified in doing so.

Just the other day in this House the Attorney General brought in a piece of legislation affecting citizens' complaints against police and he suggested, at that time, that it be passed through the House expeditiously. That's something we've been waiting for for the last four or five years and something we've had reports on for the last four or five years.

I trust that when statements like that are made by the Attorney General he would not be suggesting that the comments of those of us who participate in the legislative process and have what I consider to be comments that are valid—and certainly the comments I've heard this evening are valid and justified—are impediments and delays in the legislative process.

I'm sure, Mr. Speaker, as the presiding officer in this chamber, you would agree that the opposition still has a role to play in the legisative process of Ontario. I was not here, but I heard the parliamentary assistant make comments about this legislation. I trust he was not suggesting, as well, that the bills be passed without going to committee.

My colleagues from Middlesex, St. George and Lakeshore have mentioned that this legislation should go to committee. I think it should. I don't know of a more difficult area of the law than the question of occupiers' liability. Undoubtedly, Mr. Speaker, you're aware that the existing law was based on common law and that liability involving individuals by and large rested on what we called the category of individuals

involved. You've heard many discussions on legislation in this province dealing with gross negligence and with other terms such as this. It has happened before the courts on a regular basis that someone has argued that the negligence rested on whether the person involved was an invitee, a licensee or a trespasser. The courts were not satisfied that these were the only three categories. They went on to create other categories, some of which were called the bare licensee and the permittee and, in trespassing, they created such terms as inducement, allurement and so forth. The law involving responsibility of an owner or occupier became extremely complex.

I understood that the whole purpose of the Ontario Law Reform Commission report was to study this, to report back and to follow what other jurisdictions have done—my colleagues have mentioned England, New Zealand and others—and to try to codify or have some legislation which gives some guidelines on the question of occupiers' liability and thereby some direction to the public about its liability and responsibility and some guidance to the courts, as well, about their liability and responsibility.

I think there was an attempt to do this by the law reform commission, but I have some concern about the end result that has been presented to us in this assembly by the Attorney General whether we will succeed in doing that.

As my colleague from Huron-Middlesex has said, I understand the concern of the community out there, of the farming community and of the community involved in recreational areas. Whether we're talking about Skidoos, all-terrain vehicles, hunters or the great allurement of the urban community towards getting out in the outdoors hunting and so forth, it has reached the point where there was some legitimate concern about people going on to other people's lands and about their responsibility. I think it important that legislation be brought in and some protection be given to that community.

My colleagues from that community agree with me that in giving protection to these people, to these occupiers and giving some response to their legitimate concern about their responsibility, we are not too restrictive. My colleague from St. George has raised some legitimate concerns. My colleague from Lakeshore also has raised some legitimate concerns.

When we talk about section 4, and we say that a person who enters premises described in the subsections shall be deemed to have willingly assumed all risks, I ask are we talking about children? That's a legitimate concern. My colleague from Middlesex raised it.

Are we to say that an occupier will be absolved from all risks for children, even traps that may be set? That is another concern we have in this legislation.

Some of my colleagues have mentioned the fact that although we have changed the category of people who may or may not come on the land in respect to responsibility, whether one is an invitee or a trespasser or a licensee, we change that category of land which may make it as difficult. There are some categories that have been mentioned here as being difficult to accept, such as a golf course when it is not open for playing.

All these are concerns which warrant and merit that this type of legislation go to committee. Surely, it should be in committee so that not only the legal community but also the farming community, the recreational community, people who have expressed concern, people involved in the law, professors, et cetera, can come forward to express their points of view so that we may see how we can get the best legislation possible.

Surely that process is a process which has legitimacy. Surely it is a process which makes sense and logic. I want to say something to the parliamentary assistant on which I think my colleagues will agree with me. Just because the Attorney General comes in at the 11th hour with a piece of legislation which he says is important—and we agree with him—just because the Attorney General decides in December we should proceed and discuss this legislation with which we agree generally on second reading, doesn't mean to say that we are saying yes to every dot and that every line is correct in this bill and that we do not have some legitimate concern.

I hope we are in agreement and that the parliamentary assistant will understand we are not trying to delay this legislation in any way, but that we have some legitimate concern. Our trust is that this legislation will go to committee so people may come forward and express their concerns.

I have other concerns about Bill 202 and concerns dealing with the fact of the restriction and the ability of a contract under section 5 of the legislation. I have concern about section 8 and that the premises used are under some form of tenancy. I don't want to take up too much time as I know some of my colleagues want to participate, but I do want to put on record some of these concerns.

I can recall this Bill 203. Surely we have seen this before, perhaps through private bills or others. This colour coding I find interest-

ing; I don't know what the origin is of that, and about whether signs should be in red and yellow markings. This concerns the size of the signs as far as trespassing is concerned. I had some difficulty understanding this. It seems to me that a sign should reflect what it is meant to convey and that we should try to be as simple as possible with legislation. A sign should be a sign that one considers reasonable to convey what it is intended. If there is to be a sign saying you are not to trespass, then it should be a sign that a reasonaby intelligent person can read, whether it is red, yellow or otherwise. It seems to me that is what a sign should convey. I find this to be of some interest.

[10:00]

I have great concern, as well, about the power of arrest under section 9 of the Trespass to Property Act. I also have some concern about the fines that are imposed under section 2 of the trespass act. All of these concerns, I trust, Mr. Speaker, will be responded to, not only by the parliamentary assistant in debate on second reading, but when these bills go to committee. When we hear comments not only from the parliamentary assistant but some of his colleagues, for instance the member for Wellington-Dufferin-Peel, and when some of our colleagues get up here and mention concerns about a bill, we are not doing so in order to stop or delay or in any way show undue concern about the legislation. I trust we will get a commitment from the parliamentary assistant that this bill will take its ordinary legislative process.

Surely, when he receives a report in 1972 and brings legislation forward in 1979, the Attorney General cannot stand in this House and say, "Let's get on with this legislation. Let's quit this foolishness." If he wants our co-operation, let him show that he deserves it and we will give it to him, but let's not get the impression from the Attorney General that because we express legitimate concerns in this Legislature we are in any way delaying the process.

I am so pleased to be addressing the member for Victoria-Haliburton (Mr. Eakins) in that chair as Acting Speaker because he fits it so well. I am sure he will, on our behalf, convey to the Attorney General and to the parliamentary assistant our concern about the legislation and, also, convey our concern that when he brings in a piece of legislation at the last minute we in the opposition are not rubber stamping it. We are going to look at it closely. If there are amendments to be brought to it, we will bring in such amendments.

Mr. Renwick: Mr. Speaker, I want to speak briefly on the bill. I am delighted to know there is an agreement in force which says this bill is going out to committee and there is, therefore, no need for me to stand here and urge that the bill go out to committee. I understand it is a definite agreement, therefore I don't believe it will be necessary for me to speak at any great length.

I really am sorry the Attorney General of this province feels so uncomfortable in this assembly that he very seldom comes here, except during question period, in order to participate in the proceedings of it. It has been said to me that there is a certain arrogance about the Attorney General. I said, "Oh, that can't possibly be so. It must be that we don't make him feel at home here." He must feel uncomfortable here. It may be the lesson he wants us to learn tonight is that we must perhaps be more deferential to him, more considerate of him, less demanding of him. Perhaps we should have special cameras here for him, special electronic devices so that whatever he says here can get instant replay outside.

It does seem to me that most of his statements of any significance are made outside. I would have thought in a funny way, that when we were talking about occupiers' liability and about trespass to property that when the Attorney General was going to make a statement related to vandalism he might have chosen this forum to make it. I don't quite know why that wouldn't—

Mr. Warner: No way.

Hon. Mr. Grossman: Is that in the principle of the bill?

Mr. Renwick: Well, vandalism has something to do with the destruction of private property and I think the occupiers' liability and trespass bills relate to private property. At least I believe that is the tenor of the bills.

In any event, I don't believe for one moment that the Attorney General is arrogant because last Thursday night in the House of Commons we saw what happened when a minority government became arrogant and we wouldn't want that to happen here. Certainly not in the closing days of this session. Although I alluded to the fact that we were quite prepared to run a parallel election, I doubt if the Conservatives in Ontario or my friends on the right are prepared to do that.

Out of curiosity of course, I would be anxious to know where the Attorney General is tonight, but I gather that none of his colleagues are prepared to let us know about that. This, of course, does no disservice to the member for Carleton-Grenville (Mr. Sterling), who is the fall person to carry the legislation

for which he bears no responsibility in this assembly.

I guess we are old fashioned here about the parliamentary system. We believe that the minister of the crown who carries the responsibility for the legislation, apart perhaps from Bill 1 with that typographical correction in it that we will be dealing with, that any bill of principle the Attorney General sees fit to introduce into this assembly and makes a choice as to which bills he will proceed with on December 11 and then have us debate it on second reading at this time, would have at least considered it important enough to have been here.

The message I give to the government leader and to the Premier of this province is that when important legislation stands in the name of the Attorney General, I expect him, the Attorney General, to be present in this House—

Interjections.

Mr. Acting Speaker: Order.

Mr. Renwick: I yield to my friend the member for Carleton-Grenville.

Mr. Sterling: Mr. Speaker, on a point of privilege. When I made my introductory remarks I indicated to the Legislature I considered it a great privilege to bring forward this bill for second reading. The Attorney General has yielded to my wish to bring this bill to the Legislature today because I represent a rural riding; the agricultural community is very interested in this particular piece of legislation and it is at my urging that the Attorney General has allowed me to carry his bill.

Mr. Warner: You make excuses for him when he is a disgrace.

Mr. Sterling: If other members of this Legislature want to—

Mr. Warner: He is a disgrace to this Legislature.

Hon. Mr. Grossman: Is the member for Scarborough-Ellesmere an expert on law or rural communities?

Mr. Sterling: It is at my behest that I am here and I want to make that very clear to the other members of this Legislature that the Attorney General is at no way in fault for my representing him on this particular piece of legislation.

Mr. Renwick: Whatever privilege the Attorney General conferred upon the member for Carleton-Grenville is not a privilege in this House. If the Attorney General wanted to have the member for Carleton-Grenville debate this bill in the assembly that's quite satisfactory to me, provided the Attorney General is sitting in his place to accept the responsibility which is his under the system.

As I say, I do not believe for one moment what many people have been saying, that the Attorney General is arrogant.

Hon. Mr. Grossman: I am glad that is on the record.

Mr. Renwick: I am glad that the Minister of Industry and Tourism is glad it's out of my system as well.

Hon. Mr. Grossman: No, I said I'm glad it's on the record.

Mr. Renwick: Has he got a question of privilege? I yield the floor to the member for St. Andrew-St. Patrick.

Hon. Mr. Grossman: I was just sitting here speculating where all but one of the member's other front-bench colleagues are on this very important bill. I notice that many members of cabinet are present on this side and several members of the Liberal Party are in the front bench. I just wondered where all the front benchers for the NDP were on this very important piece of legislation, because we do in fact think this is an important bill.

In any case, I am glad the honourable member got it on the record that the Attorney General was not arrogant and for my part I want to confirm that I don't think the rest of the member's front bench is arrogant for ignoring this bill this evening either.

Mr. Roy: You see why the minister is so good with the radio ads.

Mr. Renwick: I certainly do. I am looking forward to the bill on the Island homes. I wonder whether it will be called in this session; I think it is Bill 158.

Hon. Mr. Grossman: Are you going to filibuster that too?

Mr. Renwick: No, we are going to amend it.

Mr. Speaker, as the Premier sometimes says, I was provoked into speaking longer on this bill than I had intended. I want to say that I received today a letter from the president of the Advocates Society about this legislation, which points up a matter that is of much concern to us as to what it was in the processes of the Tory government that decided this bill would be called for second reading and referred to committee, when Bill 201 is going to die on the Order Paper in the assembly.

I would have assumed, if the government were going to send these two bills out to committee, even under duress, that it would have agreed also to have debated Bill 201 and

to send it out to committee so we could have dealt with it as well.

The president of the Advocates Society states that on December 7, 1979, he received a letter from the Attorney General, indicating that in part because of the representations the society made to him with respect to the bill it was only going to be introduced this session for first reading so it could be studied and further representations could be made by interested groups.

He then goes on to state that "late on Friday"—that is, December 14—"the Attorney General, because of certain representations made to him, intends to attempt to have the occupiers' liability legislation passed at the current session of the Legislature next week." I am not going to go into the reasons why the president of the Advocates Society, which is a very distinguished body in the province, as the member for St. Andrew-St. Patrick knows, and which has very considered views and concerns about the law of the province, should write to me to put the position to the government that the bill must be dealt with in committee.

I feel deeply honoured that the president of the Advocates Society would select me. It is an expression of their concern about what this legislation is doing that they want it to go out to committee and I am delighted we can give them that specific assurance.

I want to say very clearly to the parliamentary assistant that it may well have been that there came a time in the Roman Empire when the codification of laws under Justinian was part of the process. There may have come a time in the British Empire, in the late 19th century, when the codification of law in the dying days of an empire was a proper and fit way in which to deal with the contribution of that empire to civilization.

I am suggesting to the parliamentary assistant that it is very dangerous in Ontario at this time to be considering the codification of law when there are all sorts of new, conflicting and difficult relationships being developed, especially in this province, with respect to the general right of the citizenry for recreation and those of other persons in the farm communities. I take my seat behind no one in my concern that the legitimate interest of the farm community in the protection of its property should be upheld. I also take it, as a very concerned person representing an urban riding, that the people in the urban society who leave the city to participate in recreational and other alternatives outside pose very difficult questions of law for the interrelationship of those people under law in a way which will be acceptable.

As I read this bill, as I read both the bills that are before us tonight, there is something so succinct about them as to be almost Draconian in their nature. There is something inflexible and rigid about them which will cause untold difficulty for people in the province.

[10:15]

I do not believe that one tries to work out complicated interpersonal relationships related to the use of property by some kind of a codification which bears very close resemblances to criminal law in the penalties which are levied. I think we are about to deal in situations which require extreme sensitivity in a way which shows, in my judgement, a lack of sensitivity on the part of the government.

I reiterate what I say. I take my seat behind no one with respect to the need to protect in this society the legitimate interests of people in those bundles of interest which are called the right of ownership to property. But everybody knows in a society such as this that the right of property is no longer absolute. The right of property is no longer to be determined by the colour of the signs and the notices which are put on the property. That isn't the way life works any more. One does not give anybody an untrammelled right to say that anybody coming on to one's property with the intention to commit a crime has the licence to murder. One just doesn't have that kind of right.

I have a legitimate right to protect my property in self-defence; that's what the law says. It's not an absolute right. There's no absolute right to kill in the land that I know of and under any circumstances, even under the codification of the criminal law which we owe to the uncle of Virginia Stephen, who became Virginia Woolf.

When we embark upon this kind of law to replace in three or four pages many years of case after case after case of the English law, then I want to be sure we are not dividing the people of this province into questions of whether they are in the rural community or the urban community. I don't want the law to be seen as that kind of a political weapon.

I believe the introduction of this bill was brought into this House because of some sense of some cheap political gain that could be made. I think it does a disservice to the farming community in the province and to the people in the cities and towns of this province, if the minister is going to try to divide the community on a bill which is of such a fundamental nature.

This bill deals with people's property in the city as well as in the country. It deals with everybody's property. As we will speak about on the other bill, it touches upon very profound and real civil liberties and very profound and real political liberties which have nothing to do with questions of the recreational use of land.

I've gone on at sufficient length. Fortunately, because of the commitment which the government has given to put the bill out to committee, there's no need for me to go on at any greater length. I want the minister to know we're very concerned about the bill. We're very concerned about its genesis; we're very concerned about the timing of its introduction; and we're very concerned about the sense that somehow or other there was a political motivation behind a bill for which there should be no political motivation.

We are supporting the bill on second reading. We want to see this matter dealt with in committee. I want to see it dealt with in committee in such a way that if it turns out that the bill is not a wise bill, that the principle of codification is not right at this time in Ontario respecting the use of property, then the government will have the courage not to proceed with the bill and let the ordinary and everyday courses of the common law take care of these situations. I want the government to be open about it, I want it to be real about it and I don't want it to use this kind of a bill and the law reform commission and the work which has been done by that commission to divide the communities in this province for some cheap political purpose.

Mr. Eaton: I am pleased to see that this legislation has finally reached this chamber. If there is anything that can be criticized as far as the legislation and the Attorney General is concerned it is certainly the time it has taken to get it here. I think my colleague from Huron-Middlesex (Mr. Riddell) was right; it should have been here at the beginning of this session.

We had presentations on the previous proposal until the end of June, so they had time to consider those presentations and draft the legislation. I for one think the Ministry of the Attorney General and the Attorney General should be criticized for that legislation not being here much sooner.

However, I think it is pretty cheap the way some people have taken shots at the Attorney General for not being the one to carry the legislation. I think the parliamentary assistant is not only the one who has the knowledge of the law that is coming in but he also represents a rural area; he is vitally interested in the bill, that is why he is carrying it.

Those members talk about politics. They play cheap politics pretty often. The member for Riverdale referred to splitting the urban and rural community because of this bill. I will tell him it is the circumstances under the present legislation that are splitting the rural and urban community. Those in the urban community have protection; people can't enter their backyard or frontyard and do what they damned well please, but in the rural community they are doing it. That is why there is such a need for the change in the legislation, so the people in the rural community will have the same protection of their property rights as they do in the urban community.

If the members look at the previous bill and then at the present bill they will see the bill now protects agricultural land; it includes orchards, which people could have entered before and taken fruit; it now includes vineyards, which is one of the changes which has come in since June.

I think it is that kind of legislation that brings equality for both the rural and urban people that should bring them together on the matter. People can now go to a rural community and say, "We don't have the right to be on your land, but can we use it?" I tell you, Mr. Speaker, a lot of people will give them the right to use it. They are willing to work with people who will use their property in an organized and fair way, but they don't want the abuse they have taken in the past because they haven't had that protection.

I think this legislation is a great step forward. It puts in some teeth that have been lacking in any protection that was there. The protection itself was weak. Once you did get someone into court it might have resulted in a $10 fine, or a $100 fine at the most. Now if somebody is flagrantly treating someone else's property as a place where they can do anything they want, there is an opportunity for somebody in that situation to know they are going to get a fine that means something, not just a fine that represents a licence to be on someone else's property.

The people in the rural community want to work with groups as far as recreation is concerned. As for the suggestion with regard to signs, if a ski club comes in and makes arrangements with the landowner to use his property, they can put signs saying skiing is allowed. That particular recreation would be allowed on the property to the exclusion of other people entering without permission. This is the kind of protection rural property owners have been looking for. The main emphasis should be put on informing

the public that if they enter property without permission they are trespassers.

I am personally a little disappointed that the bill has to go to committee. I would liked to see it passed—

Mr. Speaker: Point of order, the member for St. George.

Mrs. Campbell: I wonder if I could have clarification as to what bill the honourable member is discussing at this point.

Mr. Eaton: Like all the other members, I am talking about both the bills in combination.

Mrs. Campbell: Mr. Speaker, I was one of the speakers who confined themselves to the bill that we had had introduced.

Mr. Eaton: The member for St. George probably was the only one who did. She wasn't here after she presented her case. She went out and didn't hear anybody else talking about it. There were several people who referred to both pieces of legislation at the same time. If members just want to talk about the one and then repeat the whole thing again on the other part of it, that's fine. Personally, I wanted to speak about both of them at the same time, because they are in combination; they both have an effect on the vital interests of the rural people in this particular province. I'm referring to both of them. I won't get up to speak again on the other bill when the time comes.

Mrs. Campbell: Fine.

Mr. Eaton: Fine? Okay.

Mr. Germa: Why are you filibustering?

Mr. Eaton: Nobody is filibustering. There is not going to be a vote on it tonight. We had a member from the NDP come in here and take the whole first hour. Our fellows, I think between the two of us, have taken 10 minutes. Talk about filibustering!

Mr. Speaker, this legislation in going to committee will give people an opportunity to provide input, as I started to say before I was rudely interrupted. I was one who wanted it to go ahead very quickly. I can understand, from what some of the members have said, that they want it to go to committee so we can have some discussion on it in committee.

I'm pleased it's going to the resources development committee, since I am a member of that committee. I know the member for Huron-Middlesex (Mr. Riddell) is interested; he's on that committee. The member for Wellington-Dufferin-Peel (Mr. J. Johnson) is on that committee and is interested; he is one of the ones who has also worked hard to see this legislation come to life.

This is legislation that should be supported by this House. It will not split the rural and urban communities, as the member for Riverdale (Mr. Renwick) suggested. I think it can bring them closer together, to work together to see that property rights are protected and at the same time that people can get their recreational needs met. I urge the members of this House to support the bill.

Mr. Speaker: Will the member for Grey (Mr. McKessock), who seems to be the next person who wishes to speak on the bill, move the adjournment of the debate so we can give the government House leader an opportunity to indicate what the business of the House is likely to be?

On motion by Mr. McKessock, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, as I indicated last Thursday, pursuant to the rules, I would further indicate today what the business of the House would be for Wednesday and Thursday of this week.

The House will meet tomorrow from 10 a.m. until 1 p.m.; then, after the luncheon break, from 2 p.m. until 6 p.m., with the routine proceedings at 2 p.m. In the morning we will finish this legislation, Bill 202 and 203; if any time is left after than, we will proceed on concurrences that are on the Order Paper—and right through the afternoon session tomorrow—in this order: Attorney General, Solicitor General, Provincial Secretary for Justice, Health, Agriculture and Food, Environment, Natural Resources, Energy, Provincial Secretary for Social Development, Provincial Secretary for Resources Development and Industry and Tourism.

On Thursday, the House will meet at 10 a.m., when we will have the routine proceedings, followed by any concurrences that have not been finished on Wednesday. The House will break for lunch at 1 p.m. and resume at 2 p.m., when we will have the windup speakers in the budget debate, with the vote followed by the supply bill and, hopefully, prorogation by suppertime so we can all go home and enjoy Christmas and do our Christmas shopping.

Mrs. Campbell: I would inquire of the government House leader if he is aware that the justice committee is sitting tomorrow morning at 10 o'clock. While it is not dealing with justice matters, I understood that by the arrangement of this House we would not be placed in the position of having two matters conflicting at the same time. I would like some clarification.

Hon. Mr. Wells: Mr. Speaker, I presume my friend is referring to the justice committee's consideration of Bill 19 which is, in effect, an educational bill. Therefore, I suppose she is right in that we are conflicting with the estimates of the Attorney General and Solicitor General. If it's in order and we had the unanimous consent of the House, we could allow this to happen, since the matter under consideration in the committee is certainly not a justice matter. Perhaps we could have unanimous consent to allow the House to consider concurrence in the estimates of the Attorney General, if we arrive at that. Actually, we are going to be considering the bills first anyway.

Mrs. Campbell: I'm speaking of the bills.

Mr. Martel: She is speaking of the bills.

Hon. Mr. Wells: Oh, the bills, you're right.

Mrs. Campbell: The Attorney General's bills are before the House.

Mr. Speaker: At this point, that's hypothetical. I'm sure those who are responsible for ordering the business of the House can come to an amicable resolution to the problem, should it arise.

The House adjourned at 10:32 p.m.

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No. 143

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Wednesday, December 19, 1979
Morning Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

WEDNESDAY, DECEMBER 19, 1979

The House met at 10:03 a.m.

Prayers.

ORDERS OF THE DAY

OCCUPIERS' LIABILITY ACT
(concluded)

Resumption of the adjourned debate on the motion for second reading of Bill 202, An Act respecting Occupiers' Liability.

Mr. McKessock: Mr. Speaker, I share the concerns of the other members when they say this bill is long overdue coming before this Legislature. It is unfortunate that it has been left until a few days before the House closes down to be brought in for us to have a look at it.

It is very important to the land owners that they be relieved of the liabilities that are sometimes brought on them when somebody crosses their property and unfortunately has a mishap.

I tend to agree with the member for Wellington-Dufferin-Peel (Mr. J. Johnson) when he says we have a problem with lawyers. When I listened to the member for Lakeshore (Mr. Lawlor) condemn the bill for three quarters of an hour, and we then realized the bill was made up by a lawyer, I guess we are in some trouble.

After listening to the member for Lakeshore I can understand why farmers won't allow people on their property. If he were to deliver that speech to all the land owners on the Niagara Escarpment, that would put a complete end to the Bruce Trail. Those who haven't turned them out already probably would do so after they see how hard it is to get relief from liability. Who is going to let people on to their land if they're held responsible?

Under section 1(b)(i) of the bill, where it talks about water, I presume that means farm ponds as well. I built a farm pond a few years ago, and we've had a lot of enjoyment out of that pond. I remember at the time that my wife was very opposed to building the pond because of the fear of somebody drowning in it or in case we would be held liable for something that happened. It is very unfortunate that we would not build that pond and deprive ourselves of the enjoyment of the recreation it provided in swimming and fishing because we feared the liability that would be put on us if somebody trespassed on our property and put us in the position that we could be held liable and sued. I don't think that is proper.

We went ahead and built the pond and often on a summer Sunday afternoon there would be 25 or so neighbours in there swimming.

Mr. Conway: A nice pond it is, I might add.

Mr. McKessock: Yes. The member for Renfrew North also has seen the pond. It provides a lot of entertainment but in no way do I want to be held liable if anybody goes into it and there happens to be an unfortunate accident.

If the land owner is going to be good enough to let a person on his property, surely that person should be there at his own risk. Hunters, trappers and the coon hunters' association who want to be able to go on property are willing to accept responsibility for any risks they take, and they wouldn't consider suing a land owner under any circumstances.

When I listened to the member for Scarborough-Ellesmere (Mr. Warner) last night, I became afraid that if this goes to committee and comes out, the land owner probably will have to hang a first-aid kit on every other tree and maybe supply orange juice if the trespasser becomes fatigued.

Mr. Riddell: Or apple juice.

Mr. McKessock: Or apple juice. I'm very concerned about this bill passing as soon as possible to take this liability off the land owner. If it isn't removed, I can see that private property no longer will be available to anybody for recreational purposes of any kind.

I want to speak in favour of the bill, and I hope it proceeds into law as quickly as possible.

Mr. McGuigan: Mr. Speaker, I rise in support of these two bills with some reservations which I will bring in towards the last of my remarks.

If I could use myself as an example—and I realize I'm not here to make cases for myself

—I think my situation may be identical to the position that a great many farmers find themselves in.

I will explain briefly. I live on the edge of the village of Cedar Springs and because of the nature of my farming, which is largely fruit growing, we have a great many trails, field dividers and roads that we keep in fairly good condition to facilitate the movement of goods and people throughout the farm.

We have a very good relationship with the young people of the village, many of whom work during the season at picking various fruit crops. It's actually a great pleasure to my wife and my family and myself to see the young people making a great deal of use of our roads throughout the summer—couples out for a walk or on horseback. A number of children in the area have horses. There is every sort of recreational vehicle that one could imagine.

I have people saying to me, "Why do you allow these people on your property?" We have sort of an unwritten agreement between us, I guess, that if they don't bother me, I won't bother them. Throughout the years, I can't think of one instance where these people have done any harm to us. Under the present law, I am putting myself at considerable risk in allowing these people to enjoy the property.

As our villages grow and as our rural population becomes larger—and it is becoming larger; I think the figure that was put out recently by the Ontario Federation of Agriculture was that in the last year or two some 200,000 rural severances have been allowed—these people are gradually moving out into the countryside and looking to our land for recreation. Also, we have a very mobile population in this country because of the use of the automobile; so city people are coming out to the country.

Unless you can give farmers some protection in this regard, you're going to see these avenues cut off gradually and, through time, you'll see fences and signs erected stopping that sort of activity. Because farmers and city people have a good relationship and a great interdependence, and because we have good farm legislation in this province, we want to see that relationship strengthened and continued rather than brought to a matter of two warring parties.

I would like to point out another aspect of this. In answer to the maritime members for Riverdale (Mr. Renwick) and Lakeshore (Mr. Lawlor) and the very reasoned arguments they made about the historical building up of our common law and the matter of duty of care, that's one that farmers appreciate. We listened to them very dutifully and attentively, and we were moved by their arguments.

The difference between Canada and Britain, as I have seen it on a couple of visits to Britain, is that all the fields there are enclosed. There are very few rural residents. As a matter of fact, I spent two days with a government official in Britain who was known as the land agent. It was his job to determine whether people could build or separate lots out in the country.

We found that the law in Britain is so restrictive that they won't let a farmer's son build a house on the farmer's property. That farmer's son has to go to the nearest village to live, and he drives back and forth to the farm. In Canada, we allow farmers' sons and retiring farmers to sever lots, especially under the encouragement of the present Minister of Agriculture and Food (Mr. Henderson). As I read his statements, he would make this even more open and would allow us to have more severances. But in Britain, a farmer's son can't live on the farm; he has to go to the nearest town.

[10:15]

I noticed, particularly in Germany, even the farmer doesn't live out on the land. They live in villages and travel each day to and from their work. It's also true in Asia where, of course, land is under such great pressure to produce food. All the people there live in the villages. They walk to and from their fields.

Mr. Riddell: Maybe there's a lesson to be learned there.

Mr. McGuigan: That's right; it's the value of land. It is certainly a side lesson to be learned. Changing the subject, to respond to the member for Huron-Middlesex (Mr. Riddell), we in this party believe in the preservation of farm land and are willing to fight for it.

Mr. Speaker, we see a difference in the historical relationship between people and land in Britain, particularly, and the relationship between people and land in Canada. One of the reasons, as I have already mentioned, is the matter of mobility in this country—next to the Americans, I guess we are the most mobile people in the world—which brings the two segments of our society sort of in confrontation with each other.

We, in this party, want to protect farmers and farm land as much as we can but, at the same time, we are not inhuman, as has been suggested. I would join my colleagues who at least are willing to listen to the arguments made by people who have a different view

and, therefore, we would be glad to entertain these two bills going to committee.

In closing, I would like to point out another reason we see these two bills before us; it's one I've taken a personal part in as a member of the Ontario Federation of Agriculture and the Ontario Fruit and Vegetable Growers Association. I refer to reluctance of judges and police forces to properly enforce the law in the matter of pilferage and theft from farm fields.

Too often, a judge has been inclined to say: "When I was a kid, I jumped over a farmer's fence and stole an apple. It's a boyish trick and, therefore, we're going to dismiss this case." The farmer has gone to a great deal of trouble to bring the person before the court and, after a few attempts of that nature, he decides it isn't worthwhile. There is no protection in the Petty Trespass Act.

I recall an occasion many years ago when I witnessed a person stealing fruit from our orchard. I phoned the police. They traced the car licence number and it turned out to be a rather prominent person—a person in a profession. The reply that came back from the police was: "We won't prosecute this fellow. If you want to prosecute him, that's fine; but we won't."

The police had the evidence; they had gone to his house and they found the apples. He admitted he took the apples and so on, but they wouldn't prosecute. We were supposed to prosecute when the evidence was all gone.

Mr. Eaton: If he had taken them out of a supermarket, he would have been charged with theft.

Mr. McGuigan: That's right.

Those are some of the reasons this bill is before us. Farmers, in their frustration about pilferage, have turned in many cases to look at the legislation in Florida, which gives a fine, as I recall, of $5,000 for trespassing in the orange groves. That doesn't require that you be caught with any goods in your hand. If you stop your car and walk into the orchard—into the grove, pardon me; they don't like them being called orchards—if you walk into the orange grove and charges are laid against you, you face a fine up to $5,000. It's pretty rigidly enforced because of the great number of tourists in that state.

In spite of all the positive things we see in this bill, the fact is that we've been waiting many years for this legislation. I remember being part of the group that brought the case to the then Solicitor General (Mr. Welch). We were asking him to bring to the attention of the judges that they shouldn't give people a medal when they're brought in on pilferage charges. This is something the farmers have been working for for many years.

Farmers are human, too. They have children, and when their children go off the farm and go to the city to go to a theatre—and I think in terms of the tragic accident in the United States in recent weeks in the city of Cincinnati—or to other places, we want to feel that someone has the duty of care to look after them. We recognize that. Because of our humanity and our interest, we're at least willing to listen to arguments that are brought up in that connection.

I wish to assure you, Mr. Speaker, at least as far as this member is concerned and, I believe, as far as our party is concerned, farmers need not fear the hearings that will be held on this act. We're behind it, but we are willing to listen to modifications, to make some adjustments and to make these two acts more acceptable to the public at large.

Mr. Sterling: Mr. Speaker, I would like to thank the members who participated in this debate, although I must admit that I found some comments were somewhat negative and I take some exception to them.

Bill 202 will condense thousands of cases of common law on this confused part of law. Before this debate began, and after having read the legislation and literature, primarily the discussion paper which was produced in May of this year, I was somewhat apprehensive about the bill going through the House at a rapid pace.

I must admit that apprehension was founded on the basis that there were so many profound changes included in such a concise piece of legislation. As a lawyer, I have read so many cases on this particular matter, it's somewhat hard to believe that law can be contained in such a short piece of legislation. I must admit that during the debate my belief that it should be fully vented by a committee was reinforced by both opposition parties.

Mr. Lawlor: With some hesitation, apparently.

Mr. Sterling: No. I indicated at the outset that, if it was the wish of the House that this bill go to the standing committee, I had no objection to it. I will be asking the Speaker, if this bill is given second reading, to refer it to the standing resources development committee.

One area that was brought up during the debate and was of concern to me surrounded the protection of children. In most circumstances a child is protected under the exist-

ing bill as drafted. Only in the case of rural land where the entrant is deemed to assume his own risk will the protection not be there. In all other cases the duty of reasonable care shall be the responsibility of the occupier. Be that as it may, I would be quite willing to listen to suggestions by the members of the Legislature with a view to possibly amending this particular area of the bill during the committee stage.

During the debate there was mention of a law case; I know this is not always of great interest to all members of the House, but it was the Veinot case. In all fairness, in looking back at the case, it is somewhat a confused decision in trying to draw exactly what the results of that case did say. I am told that originally, at the trial level, the court found in favour of Mr. Veinot; the Ontario Court of Appeal found against him, and then the Supreme Court of Canada found for him five to four. In reading those judgements it's particularly difficult to come out of that decision with a hard conclusion.

Interestingly enough, this very decision was reversed in this Legislature in 1974 by the Motorized Snow Vehicles Act. I was interested to see what took place during the debate at that time, especially on the part of the third party, which had expressed so much interest in it. I was able to get a copy of the December 21, 1974, Globe and Mail, and I quote out of it: "At one point in the debate, not a single member of the 20-member New Democratic Party was in the House for a period of five minutes." There was very little debate at that point in time by the New Democratic Party about the principles of this particular case. I don't know whether that has just come to the fore or not.

The explanatory note in this bill indicates that it is essentially taken from the Law Reform Commission. That is true, except for section 4, which we have added to their recommendations. We have done that, in our view and, I believe, in the view of many of the members of this Legislature, to keep this co-existence, which has been exhibited in the past between urban and rural residents, continuing on a peaceful basis. It is also to encourage rural residents to provide their private land to urban people to come on their land and to enjoy some of the attributes of rural life. I am convinced that we have taken the right step in putting section 4 in.

The particular section, as basically outlined in the discussion paper of May 1979, has been approved overwhelmingly by both the agricultural community and the recreation associations, the responsible people who are using private land at this time.

[10:30]

Purists in law, academics and legal professors would not like us to put in section 4. But what is pure in law is not necessarily what Ontario is about. I believe, and I think our government believes, that this particular act reflects what Ontario is about. It recognizes urban areas, it recognizes rural areas and it recognizes the undeveloped areas of our province.

Farmers don't read court decisions and we do little to show them how to protect themselves. This act codifies that protection. It tells people who are coming out to the country what is expected of them.

I would like to indicate that this bill was not dumped on us in its entirety on December 11; the white paper in May substantially carried these sections of the bill. The white paper also included, for those who've read it, the actual draft of these two pieces of legislation. We received many responses to this discussion paper. We were receiving those responses until October of this year.

It's interesting to note that one of the changes actually answers one of the concerns of the member for Grey (Mr. McKessock) regarding his fishing pond. We had changed section 1(b)(i) to include water because of some of the responses to that discussion paper. Those responses have included some very significant, although minor, changes to the act. That's how vineyards got into this particular act in terms of protection as well as those who are involved in reforestation, Christmas-tree planting and that kind of thing. Also, there was an amendment made to the other act to include school boards to provide them with a better tool to prevent trespassers from going onto their premises.

Mr. Speaker, I am glad that all speakers from both opposition parties have indicated they are going to support this legislation on second reading. I would like to reiterate that I do take great exceptions to the remarks made about the Attorney General last evening; I think they were uncalled for. I want to reiterate, also, it was at my request; I asked to bring these bills because of my great interest in this matter.

Motion agreed to.

Ordered for standing resources development committee.

TRESPASS TO PROPERTY ACT

Mr. Sterling, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 203, An Act to protect against Trespass to Property.

Mr. Lawlor: Mr. Speaker, I'd like to say a few words about the bill, directed right on to it. While most remarks last evening gave general coverage and can't help but cover both pieces of legislation, still this is a departure in a more radical sense than the previous bill which, Lord knows, had its moments and its defects precisely because of its deviations from a now established norm, I thought.

We have no Law Reform Commission report with respect to trespass as such. We have no background studies. This is straight out of Jupiter's forehead—and it ain't Minerva who came out, let me tell my friend. It is a narrow, restrictive, niggling and very punitive type of legislation which I wouldn't have expected to see forthcoming at this time in history from this government. It is setting up all kinds of weird little fandangoes that we are supposed to dance to; the signs and markings in various colours et cetera, which in order to be legal I suppose have to be within a circle of 10 centimetres. Measure it; take your tape with you the next time you go.

Lo and behold, as has been pointed out to me, the whole legislation could very easily be unconstitutional on the basis of its criminality, on the basis of the kinds of penalties being enforced in this legislation. The government is overweaning the sledgehammer effects et cetera to bring about a simple result.

One example is going on to a shopping mall to, say, protest against a particular activity going on in that mall. What would happen if the owners of the mall, or apparently any number of other individuals with some interest in the mall, ordered you off, and you replied, "No, if you want me to come in to buy your wretched goods, you are going to have to listen to me in the process"? They call the police, and you are taken off—but subject to what?

First of all, you are subject to a fine of $1,000—but that is only the beginning. Second, you are subject to damages, if that ensued, up to $1,000. Finally—that ain't the end—you are subject to the costs that could proceed by way of private prosecution. They hire a lawyer, but not using the crown attorney, and proceed against you. You might have to pay the shot on that particular thing too. That is pretty weighty.

If one wanted to bring a blunderbuss to this, one could. But today we are in the area of more sophisticated weapons, although that's not what the Attorney General (Mr. McMurtry) uses. He uses great 17th-century shot and shell directly off Nelson's flagship. It is unbelievable.

Let's go one step further on this. What is the government really doing? It is not reposing this responsibility in a regular provincial court judge; that is not the first aspect of it. This particular matter could very well be handled by a justice of the peace under the new provincial legislation, the machinery of which is being oiled up at the present moment and taking time. It comes before a justice of the peace. We would hardly want to repose that kind of responsibility in a justice of the peace.

Second, the Attorney General knows it is a very questionable procedure to mix up criminal proceedings in the midst of civil proceedings. The normal procedure, if there are damages done to him or me in any particular way, is to take the thing to the small claims court or the county court and have a trial on that basis with the rules of law, which are quite different from those which apply to civil cases.

But no, the Attorney General rolls the whole thing into a waxen ball and messes everything up. Judges are appointed because they supposedly have some competence, and I have some doubts about the justices of the peace in this regard, to handle criminal jurisdiction and who perhaps over a period of time have picked up some form of sagacity about these types of cases. They need not necessarily be very well acquainted with civil and tortious law.

As I say, the law of negligence has always been difficult; it is tricky. Increasingly, up until this legislation and the previous bill, it was devolving more upon the individual. Greater and greater discretions were being reposed in judges so they could meet the exigencies of each separate case. That is the direction of British law and our law. Common law all over the world is seeking to accommodate itself to the needs of particular individuals' unique situation—and every situation to some degree is unique—whereas 19th-century law applied the blanket. Everybody was placed in a category. The axe fell; heads got chopped off. They're supposed to all look the same when they hit the floor.

There is a total change in orientation; a total change in the vision of what law may do. I like that second vision and I will do every damned thing in my power to promote it, because that seems to me to be where justice lies. It lies as between people. When you try to apply these universal rules and lower them on people's heads et cetera, you get the Procrustean bed: You cut off their toes, you cut off something else—God help us—and they're left a little truncated, bleed-

ing on the bench. That's the tendency of this government at this time in history, to return to and reaffirm that in terms of its legislation. It is happening in bill after bill. It's an authoritarian, lofty and dictatorial point of view, somewhat paternalistic when it happens to have an inch of kindness, patting the children of the world on the head—and the citizens of Ontario.

The citizens of Ontario are sufficiently mature to be able to accept the responsibilities of living with one another. They don't need the government's particular form of patting or petting, or whatever the blazes it is that the government does to people by way of twisting their arms when it is pretending it is soothing their pains.

The government has mixed up the civil and the criminal and given it to the same functionary to dispense in one bundle. That's a retrograde step. That is questionable. It is done very seldom. The only case I know of where it is done at all is in terms of assault, where civil remedies are sometimes given in a criminal court over and above any fine for an assault on a victim et cetera. That's very rare.

If it's given by that judge in that kind of court, the individual who has been assaulted cannot take civil proceedings thereafter. I suppose the same thing applies in this particular context.

In most instances, as far as the rural situation is concerned, no notice of any kind is necessary. I'm not going to take too much exception to that. If a place is enclosed or is obviously used as an orchard, then people ought not to be trespassing on it, particularly if their purpose in trespassing is to do any damage or to steal chattels. A farmer is entitled to be protected in these contexts. I suppose there is a fair amount of pilfering these days and a considerable economic loss.

But when the government comes to saying that notices must be given, it sets up a system which is perhaps even ludicrous in its operation. I don't think it will work; I think it will cause difficulty. If I'm walking along a trail somewhere in the Bruce Peninsula, up in the territory of the member for Grey-Bruce (Mr. Sargent), and I see a yellow marking, I must say to myself, glory be to God, what may I not do here? I'm told the thing I must do is seek out the owner and interrogate him closely as to fishing, walking on my head, sauntering through the bush, perhaps horseback riding—who knows. But one has to go through this process.

I'm sure the owner will love the presence on the doorstep of numerous individuals saying: "Tell me precisely what I may or may not do on these particular premises."

How they run smokescreens, camouflage, et cetera. The tone of this discussion paper takes what I suppose Norman Vincent Peale would call "the power of positive thinking." You know what Adlai Stevenson said about that. He said: "I find St. Paul appealing, but Norman Vincent Peale appalling." So do I. This is the Norman Vincent Peale syndrome borrowed by the psychiatric association, that little department, that back office connected with the Attorney General's ministry.

As I say, the government does all the gyrations and posturings; it's like a gymnastic exercise of just how benevolent it can be. They want to promote and encourage benevolence in the farming communities of this province. They do so by removing the possibilities of suit in an innumerable range of situations et cetera.

Isn't this a weird way of thinking? They're going to make people kinder by not penalizing them somehow or other instead of recognizing a natural openhandedness and ability to accommodate on the basis of wishing to do so for its own sake and not being dragooned in to this state. Over and over again in this paper, this is the position they take. They say the farmers of this province will not permit any access to their lands by way of hiking trails or in a dozen different other ways unless this legislation and the penalties are all removed. I have a higher opinion of farmers than that. I think they can reach accommodations and understandings and allow a commerce between the city and the countryside on better terms than what this sets forth and on what is really a very negative stance and putdown so far as co-operation between the two sectors is concerned. They bend over backwards in all directions to get that vote. They would go to any degree or extent.

It seems to me that if democracy is to function at all there must be some limit as to the perfidiousness and the degree of autogyration that takes place to summon a vote. If you're a minority government yearning for the good old days, I suppose it's understandable; but at least in the House it's wise to spell out what the blazes is taking place; what this legislation is all about. It's not a well-framed, balanced, objective seeking to meet the needs of the whole community. It's not that at all. It's a highly partisan piece of business.

As I said last night, and I say it again, it ill behooves the station, office, function and responsibilities of the Attorney General of this province. It isn't his job. He has to learn

that he has to overcome that and has to have a wider vision of what is necessary and needed in the province. He is not the Minister of Agriculture and Food. That's the job of the member for Lambton (Mr. Henderson). Let him make the representations in this particular regard, and if he prevails in the matter, so be it. Knowing the member for Lambton, I have no doubt he will prevail; he always does. He uses weight; he's got the bulk behind him to push these clauses. The barricades come down before his presence. I stand open-mouthed before such persuasiveness in most circumstances.

The legislation does have to be perused. It has never had a real opportunity. So far as we in the opposition are concerned, we have seen very little, one way or the other, to show us the real grounds and rationale of section after section and, particularly, the wording in these sections. One could go on, but I think it's better to give somebody else a chance.

Mr. J. Johnson: Mr. Speaker, the member for Lakeshore is concerned about signing private property. Possibly he is colourblind to start with; but, if people use common sense and had the decency to ask for permission, we wouldn't need any signs.

Under the present legislation, any trespasser is subject to a token fine of about $25 if it can be proved there was trespass, which is next to impossible to do. The farmer or the land owner pays the costs of his legal fees; so there isn't much point in taking someone to court today.

Mr. Lawlor: How about settling for $500; somewhere between $25 and $1,000?

Mr. J. Johnson: The member for Lakeshore seems more concerned about supermarkets than farmers. It's unfortunate the member for Grey-Bruce isn't in attendance today, because he would certainly take exception to the honourable member's remarks about riding roughshod over his riding. It seems very inconsiderate of the kind and friendly constituents of Grey-Bruce that the honourable member would ride over their property without even asking permission. It might be a nuisance to knock at the door to ask permission, but it certainly wouldn't be a nuisance to trample over their fields.

In the Sarnia Observer of Tuesday, April 25, 1978, it says: "Rights of farmers need consideration. One can hardly blame farmers for becoming teed-off with self-righteous hunters when they move in for the shoot. Simply by passing legislation which would have them seek permission from the farmer before landing on his property with boots and bullets just seems sensible.

"There was a concern expressed by the Minister of Natural Resources at that time, Mr. Miller, who stated that farmers, who received no co-operation from hunters and so feel that hunting should not be permitted at all, are apt to go to their local councils and ask for prohibition of the right to discharge firearms. That would eliminate the chance for locals to hunt. It's the old story, that one or two irresponsible hunters can spoil it for the rest. It's up to the hunters to obey the rules and prevent further infringement on their privileges to hunt. Common sense and consideration of the other guy will guarantee that hunters retain all of their privileges, rights and needs."

Basically that's what we're concerned about with this bill, that it's the few rogue hunters who create the probems for the majority. The average farmer and land owner in this province is not opposed to hunters or to anyone who wants to use his land for recreational purposes. All he asks is that they have the common decency to seek his permission before doing so. To me, that sounds quite sensible.

In section 8 of the bill it states, "the legislation will set a ceiling of $1,000 for damages caused by a trespasser." This is an area of concern. I think there's a misunderstanding, and the parliamentary assistant to the minister should explain this portion. Some people have the idea that, if they're awarded $1,000 or any amount less, they can't seek compensation. This is the way I understand it. If they don't accept any compensation, they do have the right to seek redress through court action for a higher amount. I think there's a misunderstanding, and this should be clarified.

This past hunting season there was a problem in Simcoe related to the deer season. The land owners and the farmers objected to the open hunting season. We were quite disturbed the season was open. This is an indication of things to come. If we don't redress the problem that the rural people have, we're going the create a problem for all hunters. This is one area that I think most of the members could agree upon. Surely there is some centre ground where we could resolve this.

I have one letter that I would like to read into the record. It's addressed to me and is from a constituent, I believe, of Mr. McKessock.

"We are writing to you in regard to the bill to amend the Petty Trespass Act. We

are in full support of your position to second the bill. We live and farm in the 12th concession of West Luther township. We've had numerous occasions when uninvited and unwelcome hunters have been on our property and when approached, these people seem to think that we are wrong to object to their presence and feel they are within their rights.

"We feel that this situation is unjust and would appreciate any efforts to see the bill through intact. We are both surprised and disappointed that 18 NDP and two Liberal members voted against what seemed to be a fair-minded and responsible solution to the problem."

That was the Petty Trespass Act of the member for Middlesex (Mr. Eaton), but I think that this present act that we have, Bill 203, is an improvement and with a few minor amendments in committee it will serve the purpose that this party is looking for and, I think, the purpose of the party of the opposition. The third party, of course, will be opposed to it. I would hope that we can pass this in committee.

Mr. Riddell: Mr. Speaker, I suppose most of us who debated these bills last night were out of order because we treated the bills as being companion bills and we made comments pertaining to both bills at the same time. I don't intend to repeat what I said last night other than to again indicate that there was some concern amongst members of our own caucus—and I would say these members had better legal minds than some of us—and they realized this bill affects more than farm land.

It's quite all well and good for those of us who represent farmers to get up and say it's the greatest thing since sliced bread, but we also have to realize there are some parts of the bill that members such as the members for St. George and Lakeshore are really concerned about. This is one of the reasons we have no objections to the bill going to committee.

If it does go to committee, I know full well that the spokesmen for the farmers are going to make recommendations. I think they are being more human than we give them credit for because I know that as far as the constitutionality of the bill is concerned, where this heavy fine of $1,000 is being imposed—which would indicate that maybe it does approach criminality or comes under the Criminal Code—the farmers are saying, "Okay, let's put a fine of $25 on the first offence and $100 on the second offence."

They're being quite considerate. I know the farmers are saying written permission or positive entry, signing, would be the only defence against trespass. The Ontario Federation of Agriculture rejects the proposal that trespass be determined by land status or by the land's current use. This is a recommendation they're going to be making if it goes to committee.

As far as colour coding of nonstatus land is concerned, farmers deem that to be impractical. When we're talking about posting, the OFA recommends that posting not be necessary. If owners wish to do so, it should be permissible. Part of the problem as far as the OFA is concerned is the nonexistence of a code to specify the legal meaning of signs in current use. The recommendation is that no signs be necessary because experience shows they're too easy to remove.

I alluded to that last night when I was debating the matter. Farmers who in the past have posted their land with "no trespassing" signs have found that these signs have simply been taken down. The OFA also proposed that legal meaning be given to markings in two colours, red and yellow. It is recommending that farmers should not have the responsibility for posting their land. It is further recommending that posting of trails be the responsibility of the organization contracting for trail use, such as a snowmobile club. The fact of the matter is a farmer is not going to go out and start painting his fence posts or some other mark with red or yellow paint. He simply is not going to do it, any more than he is going to post.

[11:00]

Mr. Eaton: He doesn't have to.

Mr. Riddell: Yes, but all land isn't cultivated and farmers are concerned about forested lands. They are concerned about their woodlots. In the summer, if trespassers are going to go through, there could well be the danger of fire being set to a woodlot. Not all land is cultivated and I think they even made reference to it when they were looking at the discussion paper the Attorney General sent out.

I might say there has been very little change made to the bills we are debating, Bills 202 and 203, from what appeared in the discussion paper. As a result, the Ontario Federation of Agriculture has made a recommendation that the prohibition of entry without notice would apply to forested land. It is recommended that forested land be treated in the same way as cultivated land. There is an excessive danger from fires that could destroy farm woodlots. Posting may be easier, but this should not be a reason for making it mandatory.

These are all recommendations the federation of agriculture is prepared to make if the bill goes to committee. Inasmuch as those of us who are speaking for the farmers have said we would have liked to have seen this legislation introduced much earlier in the year, go to committee and be brought back to the House and passed before the House prorogued, this is now impossible. The farmers are not going to object to having it go to committee so some of their recommendations can be heard, as well as the concerns of our good legal people, the members for Lakeshore and St. George. I am sure they will be most anxious to appear in committee and to make the changes that they feel should be made.

With these remarks, I am pleased to see that all parties are going to vote for the two bills on second reading. We certainly are going to do all we can to see they get down to committee after the Christmas break and then back into the House, so we can deal with them first thing after the new session starts and get them passed.

Mr. Warner: As my good colleague from Lakeshore has pointed out, it is difficult to determine where this bill came from and through what strange process of logic they have arrived at this bill.

Yes, there is a problem. Everyone recognizes that. Farmers have legitimate concerns, urban dwellers who enjoy recreational pursuits have particular concerns. There is a problem and the minister should attempt in a logical, reasonable way to solve the problem. In his feeble attempts to solve it, he has created an additional problem which may be one he didn't even contemplate. I suspect, by the hastily drafted legislation, this is so.

Quite frankly, I don't know how we are going to repair the bill. I am quite anxious to work in a committee and attempt in some way to salvage this dreadful piece of legislation, but I don't know how we are going to do it. I think what has been done, inadvertently or otherwise, is the creation of a very serious problem for the trade union movement. It is a very serious problem as well for people who like to express their social conscience on occasion.

Section 4 particularly makes it possible to preclude picketing. It is bad enough that we have a peculiar situation of a private property with public access, such as shopping malls—public access except that the owner may deny access to some members of the public he's not terribly fussy about. In other words, for those of us who took part in the grape boycott a couple of years ago, the owners of plazas saw fit not to allow access for those members of the public who were demonstrating in a social cause.

I don't think the confusion over the private and public aspect of property with regard to malls has been decided in a definitive way. The government intrudes on that problem; it compounds it; it makes it worse. I would take from that section that it would be perfectly in order for the owner of the mall or the tenants to post a sign indicating there's no picketing allowed. That would stick.

Second, all of us know the serious problems over first-contract disputes in this province. Remember the infamous Fleck Manufacturing Company and the difficulty there in picketing to begin with. This makes it worse. Think of the equally infamous Radio Shack people, that delightful group of Texans who try to make sure the workers will not have the right to a contract and how they could make use of this law to preclude people from their rightful—I take it to be a right to be able to demonstrate your opinion about the owner.

The minister has created a serious problem. I cannot in good conscience support this bill. I cannot possibly see how we can turn this bill around. Perhaps the parliamentary assistant can explain, or can provide some guarantees in the bill. Perhaps he has some magic way of providing guarantees in here so unionized workers on a legal strike or those seeking first-contract settlement or involved in social picketing are protected. But it would seem to me there is some immense confusion between the rights granted in this bill and the rights we assume are there under the Labour Relations Act. I just don't think we can resurrect it.

My other colleagues have spoken about the signs, all the different markings and so on. This is going to be a fascinating exercise across the province as different-coloured markings and signs are posted here, there and everywhere. It's going to be terrific fun. On my property I'll put up a little blue sign that says, "No Tories Allowed." That's what that marking will mean.

The next thing the minister will want to do is to start marking the animals. Why doesn't he paint all the deer pink so people know these are deer coming along?

Mr. Eaton: Some still wouldn't know.

Mr. Warner: They could probably colour them black.

Mr. Gaunt: Signal lights.

Mr. Warner: Some of the farmers have had to paint c-o-w on the side of some of their animals, so that hunters can distinguish them from the deer.

It's no wonder that people make fun of it. It's silly; it really is. That entire section is really quite silly. I am absolutely astounded at how the parliamentary assistant can rush in here a couple of days before prorogation and bring forward a hastily thought-up piece of legislation emanating from who knows where. It certainly didn't come out of the law reform commission. It came out of somebody's thoughts somewhere.

And do you know why it is here, Mr. Speaker? The parliamentary assistant certainly doesn't deserve any kind of attack. He wouldn't function the way the Attorney General does—I don't believe he would. This is here for one reason and one reason only: because our dear Attorney General wants to have a very high profile with the farm community and he would like to get lots of votes, not just for the Tory party, but in a little thing called a leadership contest.

Isn't that what it is all about? The dear Attorney General would like to garner some very solid support from those Tory constituents who are farmers?

Mr. Cunningham: On a point of order, Mr. Speaker, there is nothing in the bill about a leadership convention.

Mr. Warner: Maybe there should be. Then I could vote against it.

I understand clearly why the bill is here. It is window dressing. The bill is just fatally flawed. It does not solve the perceived problem the member has told us about and it creates worse problems. It is my intention to vote against this bill.

Mrs. Campbell: Mr. Speaker, I would just like to say, perhaps by way of preamble, I do seriously regret the fact the Attorney General is not here. Again, that is no denigration of the member for Carleton-Grenville who has carried almost all of the Attorney General's bills with a great deal of expertise and he is doing his level best with this one, and I understand it. But I am growing very concerned that we have a bill which is, in essence, a divisive bill, and the Attorney General as a lawyer, must understand that.

The fact that it is proposed the bill go to the resources committee is an indication that this bill has been brought in for only one purpose and that is to try to redress the very real wrongs the farming community has suffered as a result of those who carelessly, wantonly or whatever, trespass upon their lands.

Quite apart from other matters, it is significant in this bill that many of its requirements, many of the signings and so forth provided, are not open to people living in urban municipalities by reason of bylaws which preclude this kind of posting. For example, I believe as firmly as I can there should be legislation to protect the farming community. I am ashamed to think the bill is necessary because of those who are not members of that community, who treat that community with, at least in some instances, thoughtlessness, in others, sheer contempt. I do not support that position.

[11:15]

I have very grave concerns even about the constitutionality of this bill. I would like to be able to debate that kind of thing with the person who is responsible for the bill before us. I am concerned, Mr. Speaker, that legislation of this kind, important and necessary as it is for the farming community, should be brought forward so late in the session, when very real rights and very real concerns are caught in a catch-22 situation, in order to resolve the problems of the farming community.

I have been concerned that throughout the debate on both bills I have seen what amounts to almost two Ontarios, because those who speak on behalf of the bill from the farming community obviously understand its importance, obviously want to get it through, obviously feel that these are both bills for the farming community as indeed they are, but they should not be so all-embracing that they do affect carelessly other rights.

The old doctrine in criminal law of mens copa or mens rea are really wiped out in this bill, which has its quasi-criminal aspects. I find it very, very difficult and I have stated so before, but because I know of the necessity of it I am prepared to support it at this point with the very real commitment to doing everything I can to try to overcome the flaws in the bill as we discuss it in committee.

Sometimes perhaps people feel there are too many lawyers in the Legislature.

Mr. Lawlor: Jack Johnson does.

Mrs. Campbell: Perhaps that may seem to a great many people to be true today. However, I think those of us who have that training owe a duty to try to bring to these bills whatever we can of our kind of training and our kind of experience.

I look forward to the debate in the committee to see if we can improve this bill to the point where it does protect the farming community without creating very real problems for others. It seems to me that the Attorney General might have addressed the matter in a different fashion so he could

have redressed the wrongs of the rural community without, at the same time, creating problems for others in this province who do come under the bill and who are affected by the bill.

I want to make it clear that I think anyone who is trespassing on agricultural land and who refuses to get off should have no protection from me or anyone else. I think perhaps the parliamentary assistant may himself—because he, too, is a lawyer—be as torn as I have been in trying to view the matter on two basic issues and from two basic points of view. I would hope that he who was so helpful when we were dealing with the Provincial Offences Act and other pieces of legislation in the continuing absence of the Attorney General would give thought to those concerns which have been expressed here. Perhaps we may all work together to bring in a bill which will be effective, without denying rights to those who are not members of the farming community.

Mr. Renwick: Mr. Speaker, I want to speak about one particular facet of the bill which is of concern to me and to underline to the parliamentary assistant, in the absence of the Attorney General, the nature and extent of my concern and why, at least in part, my caucus has decided that we should vote against this bill on second reading.

I'm rather pleased with the change in the tone of the debate this morning over what took place last night. I always welcome the contributions made by the member for Wellington-Dufferin-Peel, by the member for Carleton-Grenville, by the member for Middlesex and by the member for Huron-Middlesex, because there is a sense now that we are recognizing that it is extremely difficult, in talking about land in Ontario, to distinguish rural land from urban land in any definitive or real sense. I know the problems which are involved in that question, as we had similar problems with respect to the assessment of farm property as distinct from some other kind of property.

I think there is a sense that these bills, while they may have very specific and special application to protect the individual farmer who is farming his property, nevertheless have an overriding general application across the province which is of the utmost importance.

My colleagues, the members for Lakeshore and St. George and others have spoken about some of the very real concerns related to the bill, as to its constitutionality, as to the problems which may be involved in connection with it. I wanted to spend just a few minutes addressing my remarks to the interface which always exists between the rights of property and the liberties of the subject.

In Canada we do not speak very much of civil rights; we speak more of civil liberties, but there is the same connotation. The rights of property and the interface of those rights with the liberties of people are extremely important. I just do not know the answer to it and that's why we were anxious to have a clarification of it in committee, so that we have an opportunity to discuss those matters. We were also concerned because the bill itself does not appear to recognize the nature of that problem. Therefore, we were perforce required to agree to vote against the bill.

I want to talk about a term which is generally perhaps not known in the farm community in the same sense in which it is known in the urban areas. I want to talk about a term which perhaps has connotations of approval or disapproval, depending on which side of the fence you view it. I want to use it today in a neutral sense. It is the term "boycott."

I want to couple with the term boycott the political boycott. By political I do not mean partisan political politics; I'm talking about political in the sense of the relationship between people who are concerned about matters in the society in which they live and wish to have an opportunity to persuade others to take a particular course of action.

I'm sure the member for Carleton-Grenville and all the other members will give me credit for saying I am talking about the legitimate persuasion of other people. I'm not talking about coercion. I'm not talking about intimidation. I'm not talking about violence. I'm not talking about any form of illegitimate activity in relation to persuasion. I'm not specifically talking about labour relations, although this bill has very important connotations for the whole question of the right to picket and the right to provide a picket for information in labour disputes.

Maybe in committee, the labour movement will be anxious to make some representations about it, I do not know. But I'm not speaking directly about labour relations, I'm speaking more of what this bill appears to do and that is to delegate to a private owner of property the right to determine whether in those areas of that private property that are otherwise open to the public for general use by invitation such as my colleagues have referred to—the shoppings malls, the shopping plazas, the large conglomerations of property where there are a number of stores and where there is a general invitation to the public to come in and use the common areas

and use the individual entrances to the shops and businesses to conduct their business. To the extent that concentration takes place, it becomes extremely important in the exercise of the right of political boycott.

I use that term although for the member for Wilson Heights (Mr. Rotenberg) and, I assume, the chief whip of the Tory party, it may cause a certain degree of intellectual indigestion to even countenance there is such a thing as the right of political boycott. It is a right of freedom of expression. It is a right of freedom of speech. It is a right not to be exercised in a vacuum but to be addressed to one's fellow citizen to induce that fellow citizen to participate with you in withholding your trade for a particular reason.

We're all mature enough to understand that one of the characteristics of our society is the increasing concentration of economic power in the marketplace and that the number of countervailing means available to the individual citizen to bring attention to that concentration of power and to express the view that perhaps that power is being used unwisely or abusively is a very limited right at best and often ineffectual. But the very limited nature of that right and the degree of its efficacy in any situation means that an assembly must be careful to ensure that a bill such as the bill before us will protect that right.

I believe the rights of individuals with respect to their civil liberties, if faced with a confrontation with the right of property, must prevail over the right of property. But I am anxious, as all of us must forever be anxious, to make certain that kind of confrontation does not take place. The moment that takes place, then you have to use repressive measures to preserve order in the society. I am concerned this bill invites that kind of confrontation which makes an almost-immediate and direct requirement of resort to violence and the need to preserve law and order through the exercise of the police power an inevitable consequence of the bill.

I assure those interested in this bill I know of no way we can protect that right. We may have to use some kind of simplistic system of saying if it is a corporate owner of property, the corporate owner must be restricted in the way he can infringe upon civil liberties. Perhaps that would pick up the great bulk of the areas of the shopping malls and the shopping plazas that are concerned.

Mr. Kerrio: That's discrimination.

Mr. Renwick: I know my friend likes to say "discrimination." I find it difficult to discriminate against a mythical character known as the corporation which has no existence in law or in substance in our society. It's a form of insubstantial entity which we have created and which some people think walks, talks, moves and has its being, but it doesn't. It doesn't exist except in the—

[11:30]

Mr. Kerrio: There are humans who pay the bills behind you, Jim. That's the reality of it all.

Mr. Renwick: I suppose that means that all taxes come from the people. We agree with that. We just disagree about the amount that comes from some people as distinct from those who pay the bulk of the taxes.

Mr. Kerrio: That's your little dream world.

Mr. Renwick: I find it difficult to comprehend. Perhaps the member for Niagara Falls sometime would enlighten me as to why Shell Canada pays no income tax in Canada. Would he like to do that now or later?

Mr. Kerrio: I'm talking about my little corporation, that's real and producing.

Mr. Speaker: Order. The member for Riverdale has the floor. If the member for Niagara Falls wishes to participate at a later time, I'll allow it.

Mr. Renwick: I enjoy the comments of the member for Niagara Falls so much that I always allow him to divert me from the main purpose of my comments.

Perhaps if I could be relatively elementary about it, a political boycott means that I want to withhold my trade from a particular organization in order to achieve a particular political purpose in a peaceful way. I know that in a democracy a good part of my ability to achieve that goal is in my ability to talk to other people about my concern. I also know that the message is the important part of what the political boycott is about.

The message is conveyed in many ways; we are all familiar with them—by signs, by picketing, by peaceful demonstration, by handbills, by intercourse with the person you are trying to persuade to adopt your view to effect a particular purpose, usually an economic purpose.

I suppose the classic example in our society was one of the very few successful boycotts that has taken place in our time, that is the grape boycott. Many of us participated in this boycott which in the conscience of people, even though they didn't perhaps agree with the political boycott, did

affect very much the conduct of other people in a situation. The member for Niagara Falls will remember we were talking about the migrant farm workers in California at that time. We were able by the political boycott, each in our own small way, to contribute in some way to remove that particular injustice.

The problem came about that the Petty Trespass Act was used for the purpose of prohibiting that form of activity. It's that delicate interface that I want to make certain in the committee hearings is dealt with in an effective and intelligent way. Virtually every political boycott includes an effort to induce other persons, by conversation, by handbills, by picketing, to withhold one's trade for the achievement of a particular objective. The only way you can do that is when you have access to the person at the point at which that person is going to deal. You can say to that person, "We would like you to consider this when you are dealing with this organization or product. We want you to consider this concern which we may have."

I do not think it is too much to say that there may very well be situations develop in the future, as very nearly occurred in Ontario in the 1960s in which the farm community as such may be as equally anxious and concerned to exercise their right of political boycott as we perhaps in the urban areas are somewhat more prone to do for the purposes of the achievement of a political objective. All of us remember the time when the tractors came across into the city and up into the Queen's Park area in order to effect their political protest.

Mr. Eaton: On public property.

Mr. Renwick: On public property. There may very well be a time—I hope it doesn't come; I hope the reconciliation of interest will always prevent it from coming—when members of the farm community may want to be able to contact the customer in the shopping plazas in the Metropolitan Toronto area to bring to the attention of the buyers of farm products the problem of the farmer with respect to those products and the way in which they are being marketed or perhaps the way in which the farm community may on occasion feel they have been exploited. They may want to induce their fellow citizens to at least be available to them to understand that there's a community of interest between the consumer of farm products and the producer.

I don't think it's too far-fetched to say that may very well occur at some particular point in time if there is any validity to the way in which both sides of the populace, both the producer and the consumer, is exploited through the supermarket system. We will await the report about that matter.

I just want to close my remarks on this topic to say to the member for Carleton-Grenville that I really am anxious that he understand that there is a civil liberties interface of this bill with the rights of property which requires attention. We want to find a solution to that problem for a number of reasons, but for the principal reason that this bill is silent in its recognition of that problem. There was no recognition of that problem at the time when this bill was introduced. There was little, if any, recognition of that problem at the time when the law reform commission and the predecessors of this bill came into existence. There was very little realization that we cannot allow, by means of signs or otherwise, the owners of private property to exclude from the common areas of places and shopping malls and plazas where the public is invited those people who come there for a legitimate political boycott purpose to induce their fellow citizens to withdraw.

Mr. Speaker, you cannot leave to the private owner of the property to make that kind of decision as to what kind of communication will take place between those he has invited to come on to his property for his gain and for his profit. You cannot say that at Christmas time Santa Claus is allowed, but a member of the public who wishes to protest about the exploitation of someone in the society, or about the production of some product, will not be allowed. You can't allow the benign and useful and beneficial public body, such as the Salvation Army or others, to make appeals on the public property and deny the right to go on to public property of people who have an equally humanitarian and deep concern related to a political objective, which can be achieved only by some inducement to withhold their services because of the pressure which can be brought against the congregations of economic power, which are one, if not the major threat to the kind of democracy that we have.

There is much more in common with the concerns that we all, as citizens, be it in the rural or urban community, have to see that this bill and the bill which we debated last night are properly and adequately dealt with, than to divide the people of the province, because there are special considerations which we all recognize as applicable to the farm community and for which exceptions must be made, just as we think there are exceptions that must be made in these bills to protect something called a correlative

interest of urban people in the exercise of their rights.

If my colleague the member for York South (Mr. MacDonald) were here, he would speak as he has always spoken in this assembly to recognize the concern of the farm community about the legitimate needs in a changing society for protection against damage to property, depredation and the unlicensed and unlawful exercise by people of their supposed rights. Everybody understands that. I cannot express it as forcibly or as knowledgeably as my colleague from York South could.

When we were talking about these bills prior to his absence from the assembly, he clearly brought to the attention of the assembly the fundamental and basic concerns of the farm community as expressed through the Ontario Federation of Agriculture about the importance of these bills. I am glad to see the obvious political advantage, in the funny way in which this assembly operates, which was thought to be achieved by the introduction of these bills in the dying days of this session, will not be achieved. All of those matters fortunately will now subside and we will be able to deal with these two bills in a committee where these legitimate concerns can be reconciled.

In the reconciliation of those concerns, we may have to look at some very fundamental elements of what we are talking about. My colleague from Lakeshore clearly expressed to the House the dangers involved in confusing concepts in bills and mixing them all together into one muddle and posing that muddle to the already overladen courts as a solution, when it will compound the problem in the long run much more than to have left the slow but labourious adjustments of the common law and the courts to this question of reconciliation of property rights with civil liberties.

Mr. Speaker, I have gone on as long as I wish to go on. I have tried to relate only to the one aspect, but I hope no one will think we have but a single-minded concern. The member for Wellington-Dufferin-Peel (Mr. J. Johnson) was really not trying to confront the farm community against the users of the shopping malls. I recognize in the give-and-take of the debate it may have sounded that way, but we must all now recognize the commonality of our concern about both bills.

I have very real questions about whether or not what may have been a solution 20 years ago is now being put forward to us as a solution at a time of immense change in the full conception of the relative use by varying members of the community of the property within Ontario, be it publicly or privately owned; be it owned by corporations or by individuals; be it owned by the very personalized corporation of my colleague the member for Niagara Falls (Mr. Kerrio) or be it owned by the non-personal amorphous bodies known as the larger corporations which do not have that personal identification that the corporation to which the member for Niagara Falls refers had.

It is absolutely essential that we have and invite the widest possible submissions to the committee to hear these bills. These bills, like so many others, once passed become part of the fabric of the law of the province which is likely to remain unchanged for the same length of time as the Petty Trespass Act has remained unchanged. It behoves us to treat it in that way and not for any partisan, political purpose.

[11:45]

Mr. Kerrio: I shall be just a few moments. Earlier, the Speaker suggested that rather than interject when the member for Riverdale was speaking I should stand in my place and make my position very clear. I will so do.

When honourable members who are learned in the law stand in their place and talk about corporations, it conjures up visions of Exxon, Shell and all kinds of huge corporations that are very impersonal in what they do. The reason I interjected when the member was speaking was I wanted to bring the point to the assembly that for every one of those large corporations there are literally thousands of very small, personal corporations. I happen to be involved in one with my son.

In such cases there is no involvement of a corporate structure that completely protects the individual from any kind of reality. Beyond the corporate structure, there exists for the individual a very personal involvement: a putting on the line, sometimes, of everything he has, even to the extent of personally guaranteeing to the bank the collection of accounts receivable. While on the books such businesses may appear as corporations, in reality there are very many people out there in our society who do not enjoy all the protection of a corporate structure.

I say that to the member with respect, because he and I exchange on many occasions differences of opinion. But I think in this particular instance it should be clearly on the record that one must make that definitive kind of description when talking about corporations. I wanted to get that on

the record because I think it is very important to the future of many small corporations in Ontario.

Mr. Acting Speaker: You were invited to put that on the record, but it has very little to do with the substance of the bill.

Mr. Kerrio: It does in a way, Mr. Speaker.

Mr. Acting Speaker: Your point has been made. The member for Huron-Bruce.

Mr. Gaunt: As one who represents a farm community I just wanted to record my support for this bill and its companion bill, the Occupiers' Liability Act.

I know during the past number of years a great many rural property owners, especially farmers, have had concerns regarding the free and quiet possession of their property. We have had a lot of trouble in this respect in the farm community. I think the assembly has to understand that and from the tone of the debate, that understanding is pretty widespread.

I realize the difficulties with the bill. When one is talking about competing interests with respect to property rights and civil liberties, as my friend from Riverdale (Mr. Renwick) did, there are bound to be concerns in what he called the "interface" between those two aspects. I understand and appreciate that. I don't have enough legal expertise to determine whether the bill is constitutional or not. I don't know that; I will have to leave that to my legal friends.

I can understand the concerns of my friend from Scarborough-Ellesmere (Mr. Warner) with respect to picketing. I understand that all picketing doesn't take place on public property; some of it does take place on private property.

Surely those things can be resolved. We have to understand the problem from the point of view of the rural communities, from the farmers' point of view. People do trespass; they do destroy property, cut fences, leave gates open, destroy livestock. Surely that has to be addressed. After all, the property owner does have some rights under common law and I think where circumstances point to the abuse of those rights it is up to this Legislature to address those problems. Indeed, if everyone respected the person and property of everyone else, we wouldn't need this legislation, we wouldn't need most legislation in this House, but it doesn't happen. The human being, the type he or she is, means that doesn't always apply, and so we have to come in with legislation of this nature to try and address a very real problem in what is basically a rural constituency.

I understand the problems—at least, the distinction between rural property and urban property. I understand the attitudes between urbanites and rural people as it applies to the use of property in the country, but at the same time I think we have to understand that the property owner in the country does have rights and those rights should include the protection from trespass where that trespass is going to interfere with the operation of that property, with the conduct of the business taking place on that property and so on.

I appreciate the tone of conciliation, even sensitivity and understanding, that was exhibited by the member for Riverdale. With that kind of attitude I think these bills can go to committee and we can come up with a better bill, a better bill in both cases, that will take these competing interests into account. I certainly look forward to that. Having said that, I want to underline again that I do support the intent of the bills and it is just a question of coming up with the best possible bill to achieve the purposes which we desire in this respect.

Mr. McGuigan: Mr. Speaker, I want to speak briefly this morning on one of the aspects of this Bill 203 that has been brought up by the member for Riverdale and that is the question of the secondary boycott. I would like to speak for the farm communities and give their views on the secondary boycott.

First of all, I would certainly stand with the member as to the rights of people to withhold their services, to join labour unions, to have the protection of the Labour Relations Act to withhold their services, to carry on informational picketing and the right to determine whether or not they are going to make certain sacrifices in their income for the gains they hope to achieve in the long run. That is a conscious decision they make and they don't always win. They make a sacrifice in doing that. I certainly stand with them in their legislative ability and in their courage and in their resolve to do that.

For instance, at a strike that might occur in the auto factories the organizers persuade the workers to withdraw their services, to stop receiving their wages and to stop manufacturing cars. They don't do it at the point of the auto dealership. They don't say, "We will produce all these cars, we will get our wages for making the cars and then we will run around to the auto dealership and try to stop them from being sold at that point."

There is a real difference between strike action and the right of people to organize and withhold their service and the secondary

boycott, whereby the product is grown—and these products are of course, of a seasonal nature; you have only one or two crops a year, perhaps two crops a year in the southern states but even there in the case of grapes it is one crop a year—people produce that crop, it is shipped across the country and thousands of miles away from the site of the real problem it comes under a secondary boycott. As I understand it a secondary boycott is an illegal act, at least in the United States. I am not sure what legislation there is in Ontario. I simply want to point out there is a difference between withholding one's labour and taking part in a secondary boycott.

Speaking for the farm communities in Ontario and especially those in the fruit and vegetable sector, in which I am a producer and know some of the problems, I can tell you, Mr. Speaker, they do not support the secondary boycott. When it comes to passing legislation that will better protect farm labour, we are with the members to our left. We will pass that legislation.

The member for Riverdale will likely be surprised to learn that this member has taken part in a picket line. Quite a number of years ago the tomato growers of this province decided to withhold the contracting of their tomatoes. We did it at the source though. We said to the companies, "We will not plant these tomatoes unless you agree to a certain price per ton." We won that refusal to contract by going to the growers, telling our story, by picketing the offices where the contracts were being written, but we did it at the source. The farmers involved were prepared to take that gamble as to whether they were going to win or lose and whether to suffer or gain economically. We didn't sow the crop then run around and say later on that customers hundreds of miles away couldn't buy that crop.

This is a very fundamental point and when the fight comes as to the ability to carry on a secondary boycott, I would want the members of the third party to not be under any illusions as to where I stand and as to where many of the members of this party would probably decide to stand when they have looked at the issues.

Mr. McKessock: Mr. Speaker, I stand to support this bill, An Act to protect against Trespass to Property, and I am pleased to see the fine in the bill has been raised to $1,000. In the past a mere $25 fine hasn't in any way stopped an individual from continuing to trespass. He may be going out of the property carrying that amount of fish or apples or whatever. If he is fined $25 it doesn't restrict him from turning around and doing it all over again. The $1,000 fine will be more of a deterrent to trespassers on private property. Raising the fine to that amount also shows a little more respect for private property.

I have received concerns from people that they will have to post bush and forest property in order to keep trespassers out or to let them know they aren't welcome there. On the other hand, I have received concerns from people who feel forest and bush should be free for people to travel in unless posted. These concerns come from hunters and the coon hunting association, who don't do any damage to the property. They point out the hardship in or the impossibility of getting permission from land owners in certain parts of Ontario where there is much dense bush and ownership of the land is hard to determine.

[12:00]

I'm pleased that farm land has been exempt from the posting of signs. With this bill, a person will have to receive permission from the land owner before being able to go on farm land.

The Attorney General's parliamentary assistant, the member for Carleton-Grenville, did point out to me this morning that farm ponds would be covered under the liability part of this companion bill. The same thing in this bill points to premises as covering water, too. It would be necessary to have farm ponds listed under section 3(1)(a) when they talk about the premises and those exempt from having to be posted in order to restrict trespassers. I hope farm ponds would be added to that list of gardens, fields and other land under cultivation. Then it would be a known fact that it is illegal to trepass on or near a pond without permission.

I can't see the point of saying that ponds are covered under the description of premises and then leaving it out of section 3(1). I hope the parliamentary assistant will make note of that.

I want to support this bill and again say it is long overdue. I hope it will receive fast passage through committee.

Mr. Nixon: Mr. Speaker, the fact these bills are before us and getting what appears to be unanimous support in principle I believe is to the credit of my colleagues, the members for Huron-Middlesex and for Middlesex. They have really pushed this pretty hard. The reason for it has been the un-

willingness of the government to take the initiative in a matter which obviously the farm community felt should be acted upon.

It's interesting to note the law reform commission recommended the concept of occupier's liability in 1972. That's quite a while for that sort of thing to be sitting around, being thought of. The thing that brought it to public attention more than anyhing else was a well-known case where intruders, disregarding "No Trespassing" signs, were injured on snowmobiles.

Mr. Lawlor: There was no sign.

Mr. Nixon: Anyway, the farm owner was held responsible in the courts because of the injury. I'm very glad to see the principle of the limit to which the farm owner or the property owner must protect people who intrude in that way.

Unfortunately, Mr. Speaker, once again—and I guess this is only the second time in all these years the member for Lakeshore and I do not see precisely eye to eye—there has been great delay in bringing this forward. Naturally, I'm always interested in hearing our colleagues learned in the law express their concerns. They will be able to bring forward amendments which will perhaps purify the statute of anything that would transgress or trespass upon that purity of the common law that we hear so much about.

I don't want to appear in any way to dismiss the importance of those concepts, because all of our legislation is based on that. I feel certain that when we examine these bills in committee, there will be sufficient alternatives so that the democratic process will hold sway.

I would suggest to you, Mr. Speaker, that once we accept the importance of the supremacy of the justice in the common law members, at their peril, will interfere with the concept and principle of these bills themselves. Any further delay should receive the kind of political punishment we all know about. I'm sure the bills will be approved in principle now and I hope when we resume in the spring the committee will be able to report those refinements which will mean the House can enthusiastically give them third reading and proclamation without undue delay.

Mr. Sterling: First of all, I would like to thank the members who participated in the debate on this bill. I must say I found the debate a little easier to follow this morning than I did last night when I was quite often diverted.

I would like to indicate that, basically, this bill only reinforces existing legislation. It has three basic thrusts in it. First, it takes the provisions of the Petty Trespass Act to property from the trespasser and reinstitutes them in the legislation. Second, it provides higher penalties against a trespasser who is convicted and it also inserts into the criminal proceeding a civil remedy at the same time. Third, it provides a mechanism whereby people who own land in the rural area and in the city know whether they have to sign their property and what kind of signing has legal stature.

Going back to the first point, in talking about the Petty Trespass Act at this time it is my understanding that section 4 does not change the existing law. I would also like to indicate that my understanding of the existing law in relation to picketers was in a case heard in 1976, or decided in 1976 by the Supreme Court of Canada. It was the case of Harrison and Carswell in Manitoba and it was based on that province's Petty Trespass Act. In that case it was decided that a shopping centre owner could withdraw his consent to people coming on to the public portion of the shopping centre. That is my understanding of what the law is today. Section 4 does nothing to change that particular law. If that law was going to be changed, I suggest it should be changed under the labour law, as such, to deal with the picketing issue.

Section 2(1) provides for a person who is not acting under the authority of another law. The other provisions relate to the penalties against a trespasser. If he is authorized by another law, a picketing law or for instance if surveyors are given permission under the Surveyors Act to enter land, then these particular provisions wouldn't apply to that individual. It's our feeling that in the case of the picketing law it would be more apropos to deal with that issue under labour legislation.

Mr. Renwick: Let me reiterate. The political boycott is much wider in context than the labour law.

Mr. Sterling: The political boycott which was brought forward by the member for Riverdale perhaps would not be involved in the labour law but it could be dealt with in committee; we could talk about it at that time. I think there may be some very basic differences in philosophies over that issue as to property and civil rights.

I want also to indicate that this law relates not only to rural people. One of the sections which I hope would help solve a

problem which many schools in the urban areas have had with both vandalism and trespassers going on to their property relates to those sections I talked about concerning the penalties and damages that can be awarded by a court.

In talking about those penalties I want to make it clear and put on the record that the fine is not necessarily $1,000 as some of the members have indicated. It's up to $1,000; of course, it's at the discretion of the judge. The damages that can be awarded are up to $1,000. That limitation is put on there because of our concern about the process it is going through, whether or not a criminal or a quasi-criminal hearing can effectively deal with a very expensive or involved civil litigation hearing.

We do appoint provincial judges to hear cases in the small claims court. I don't know if that is the thrust of the constitutional argument; but if it is the appointment of those judges, then I cannot follow the constitutionality argument on that basis.

In the past there's been little justice for an occupier who wants to stop someone from trespassing on his property. It's been extremely difficult for him to bring that person before the court and seek redress. I think that's what we have tried to put into the context of this bill, not only in terms of the penalty, but also in terms of being able to seek in one process some redress for a small amount of damage and to obtain the legal costs which he has incurred for bringing that person to court, if he is right.

There hasn't been very much justice in the past, I believe, in terms of the occupier having the ability to bring that person to court. I think this will meet some of that concern.

In relation to the signing provisions and to those definitions of land which doesn't need signing, I would say with respect to the member for Huron-Middlesex—and to two of our members, the members for Middlesex and Wellington-Dufferin-Peel—the idea that all land need be posted is probably not practical in other areas of the province. It may be practical in southern Ontario, but when you get into eastern and northern Ontario there is a problem because a lot of rural land is vacant or abandoned—the poorer rural land. Quite frankly, most of the people who own that land are not that concerned with people crossing it. So to exclude that amount of recreation land would maybe in reverse do more harm than providing the other avenue. **[12:15]**

I know signing is a problem, but these signing conventions have been proposed to us by the trail associations and we feel these are the best that can be put forward. I think if the members read the legislation closely, they can't make that much fun of the signs—if they look at them with some degree of seriousness.

Mr. Bradley: Speaking of signs, do you have your lawn signs ready?

Mr. Sterling: Mr. Speaker, in my riding we don't need lawn signs.

In the past the Petty Trespass Act has been declared constitutional. It's our view that this particular act does not really go that far away from the Petty Trespass Act and quite frankly I have a great deal of difficulty following the thrust of the allusion to the constitutional arguments that have been thrown up here in the Legislature. I'll be anxious to hear those in committee.

Both of these bills have a lot of effect on the law of Ontario. They have a lot of effect with regard to property rights. As some of the members here have indicated, there is an extreme amount of interest in property rights.

During the committee hearing—and I plan to recommend that this bill as well as Bill 202 goes to the standing resources development committee—I hope that all sides will have an opportunity to vet all of the parts of this legislation to be sure that what comes out of committee will be an improvement to the law, which I believe the legislation as it now stands is.

Motion agreed to.

Ordered for standing committee.

CONCURRENCE IN SUPPLY

MINISTRY OF THE ATTORNEY GENERAL

(continued)

Mrs. Campbell: Mr. Speaker, could you ask the Attorney General (Mr. McMurtry) to cease and desist so we can get on with the matters before us?

I am rising at this time because it seems to me that we are facing a very serious situation in Ontario so far as the Attorney General of this province is concerned. During the debate on the estimates of the Attorney General I produced what I believe it is fair to call a litany indicating that the Attorney General, as I see it and as others see it, is incapable of the kind of objectivity which is required traditionally of an Attorney General under the British tradition.

To add to that, the responsibility for the second ministry, that of Solicitor General, is to me intolerable at this time when our

society has changed drastically from the times when it was assumed that one person could handle both roles. Today we see conflicts as we have never seen them before.

During the course of the debate in the estimates I made the statement, and I stand by it, that we see in the administration of justice today what I perceive to be an Americanization of the role of, for example, the crown attorney. I think now we have seen something of the confirmation of that in certain evidence given by a crown recently in a matter before the courts.

There is no question in my mind that the role of the Attorney General in protecting the rights of all citizens is an absolutely imperative role. I referred to the fact that I did not find any evidence, for example, of the Attorney General taking action in environmental matters. I was advised by the former Solicitor General in the committee that he has acted on many occasions. I have asked for the evidence of that and it has not been forthcoming.

If we have an Attorney General who is a political animal and ably so, I must say, this is at odds with the whole function of the Attorney General in our society. As we know, we have had many statements from many of the very fine Attorneys General in Great Britain, indicating quite clearly that the role of the Attorney General is one of a cabinet minister, and therefore he is responsible for legislation introduced into the House. But here the Attorney General plays the political role and the legislative role without understanding the two functions.

As a first step, there must be a separation of these two functions as they exist today, with one minister handling two ministries which themselves have somewhat disparate interests. The crown attorney has a role to play—a very significant and very important role in our system. That role is to be the person who presents to the courts the best possible case he can present, always having in mind the fact that in presenting the case he has to keep before him the dignity of the individual and the protection of our society. He does not, as in the American system, go in to win; he goes in to present a case.

More and more we have seen—and I think the Attorney General himself has indicated its necessity, as he sees it—the crown become more involved in the investigative process as crime becomes more sophisticated. I understand what the Attorney General says, but if he has that approach he ought to recognize there must be some law officer, the chief law officer of this province, to hold the balance; that has not occurred.

We have seen people in this province crying out for rights and for protection. Who in this province is charged with the responsibility of protecting those rights? There is no one other than the Attorney General, save and except, of course, when matters get into the courts. There is no one else but the Attorney General to guard and protect the rights of the citizen. The Attorney General has the overall responsibility—whether he is acting as Solicitor General or not, he must take the overriding responsibility.

Yet we have seen a bill—a much-vaunted bill, a needed bill—introduced with all accompanying fanfare, only to die apparently, on the Order Paper. People have been crying out for protection from what they view—rightly or wrongly is not the issue at the moment—as an inimical complaint system. I am not speaking to the merits of the bill at all; I am speaking to the fact that we can't even debate that important piece of legislation adequately. We can't bring in a bill which can protect the citizen who sees himself as unable to find justice.

I would like to speak about the matter of justice. Perhaps it is because I am a very simple person, but I happen to believe justice is indivisible. I happen to believe you cannot talk about more even justice or more equal justice. If you do not have justice, you have injustice. And our Attorney General is quite prepared to see that injustice in our province. I cannot do other than address myself at this important time to the matter of concurrence in estimates, the philosophy of which and the philosophy of the minister is one I cannot accept. To a certain degree it is almost a matter, not so much of law or injustice, it is almost a morality that is important to me in my Ontario, because it is my Ontario too.

[12:30]

We understand the minister has stated he has acted in the law of standing in a way in which other previous Attorneys General have not acted. I accept that. I am sure that is so. But in the law of standing there are two opposing camps. There is the one camp that feels the law of standing should not be enlarged, because it can invite frivolous matters in an already clogged-up system—and there is justification for that point of view. But those people who take that position say the Attorney General is the one who should be acting in the best interests of all citizens of Ontario. You cease to have that argument available if the Attorney General is not acting in other than those areas where, with the greatest respect, he sees some political mileage to be gained from his activities.

I have been deeply disappointed in the Attorney General because he is a person for whom I have a high personal regard. It is quite possible for me to say that in a different context from almost any other person in the House, because I have observed him during a political campaign and came away from that campaign with an even deeper sense of respect for that person. I would like him to understand that.

He seems to believe if we have a difference in principle, it is a partisan difference. In the years I have been in the House, I have never lightly taken a position of this kind against any minister. I am not part of the usual cackle, "Resign," or any of that sort of thing, because to me that is not my position at all. It is serious; it is important to me the minister understand it. There has to be some way to get through to the Premier of Ontario (Mr. Davis) that to restore confidence he must remove the minister from the two ministries and the two portfolios.

The Attorney General has demonstrated in his role as Solicitor General a very real concern for those matters which properly fall within his domain as Solicitor General. I commend him for the very real dedication he displayed in the Mississauga crisis. I am not one of those who feels he is the author of disaster but rather that disasters lie within his jurisdiction to redress as best he can. I am not in any sense inviting the Attorney General out of ministerial responsibility.

I am aware that in this province we have very many difficulties. The police have difficulties in these times, the citizen has difficulty in these times and I am sure, with the dedication the minister is capable of bringing to those issues, we could seek some very real reform and some very real advancement which would be beneficial both to the police forces and to the citizens. I would like to make that point quite clear in speaking to these concurrences.

I don't suppose there was ever a time in history, unless it was during the Salem witch trials or something of that nature, when we have seen human problems surfacing as they have done today. I have been speaking with representatives of some of the ethnic communities who I feel certain wanted to see the bill put forward for amendment but did want to see some protection for their particular groups.

The black community had great difficulty with the bill and couldn't accept it in its present form. Definitely, I am sure that did not mean they would not like to have had the opportunity to make representation because, you know, Mr. Speaker, the Attorney General—and to me it is the Attorney General. notwithstanding the police function—has believed in bringing this kind of legislation forward that if the police and the enforcement agencies would not accept it it might be unworkable and I believe he has a certain valid argument in that area. However, I would say to you, Mr. Speaker, if the public doesn't accept it, you are in very much the same position. I think the Attorney General is nodding approval.

What does he do as Attorney General when one has two basic rights, if you like; the police on the one hand, the citizen at large on the other hand? It seems to me one moves to try to bring in legislation which will be equitable for both.

I am so deeply saddened that we have dealt with other legislation and yet we really haven't had an opportunity to consider that fundamental legislation. The reason I am raising it in the context of a concurrence debate is that it does seem to me that an Attorney General concerned about the rights of citizens and the rights of the police—they too are citizens—should have had greater courage to ensure that this House had the ample opportunity to give consideration to that important piece of legislation.

I would like to make a comment too about the fact that I think there has been relatively little legislation lately coming from the Attorney General which he himself has guided. In saying that I want to reiterate that is no denigration of his very able, very responsive parliamentary assistant.

It does seem to me that when we were dealing with provincial offences and we were dealing with two very difficult bills in the last two days, we saw a great conflict between those of us who have some experience in the law and those who were really regarding the bills—and I think appropriately so—as agricultural bills. The Attorney General should have been here to assist in that debate and to respond to the very real problems and issues I think were raised, not in a partisan fashion but in a very concerned fashion.

In fairness to the Attorney General his parliamentary assistant advised the House and advised me personally that he had requested the privilege of carrying those two bills. I understand that. I also asked him if he had requested the privilege of carrying the Provincial Offences Act through and I must say, in fairness to him, he did not comment. He certainly didn't speak in the affirmative on that.

I don't believe that it is useful for me to continue at any greater length. The Attorney

General is a very able person and is I believe, as I have remarked, by reason of the paintings which he does a man of sensitivity. I would implore him to review the conflicts and to advise the Premier that he does understand there are conflicts and that he wishes to be removed from a situation which is one of conflict—is one which is viewed as one of conflict, which is perhaps even more important—and that he put all of his very considerable talent, very considerable talent to the task of a Solicitor General in this province.

[12:45]

Mr. Warner: Not long ago I was given the opportunity to be the critic for our party for the Attorney General. Not being a lawyer—

Mr. Peterson: Enjoy it while it lasts.

Mr. Laughren: The member for Scarborough-Ellesmere is going to be Attorney General next.

Mr. Warner: Yes, we'll have to change that little law that says you have have to be a lawyer in order to be an Attorney General.

Not being a lawyer, I have struggled with the law books and with the various pieces of legislation that have come forward. I have listened intently on every occasion to the members for St. George, Lakeshore, Riverdale and others, to try to get a sense about the justice policy, to get a sense about how an Attorney General should conduct the affairs he is responsible for. I read carefully the documents he so kindly sent over. He gave me some documents written by an Attorney General from Great Britain. I read them carefully and I was quite impressed with them. That's why I am so saddened by the turn of events that has occurred over the last many months.

Unfortunately, I do not believe the Attorney General actually sees a conflict of interest. Unfortunately, I don't believe, despite the reasoned argument put forward by my colleague from St. George, the arguments put forward by other colleagues of mine and by my own arguments, that he actually believes there is a conflict of interest between the two portfolios he holds. To put it in the vernacular, he is the boss of the courts and the boss of the police. He cannot truly represent all of those interests, especially when they come into conflict as he is now painfully discovering through the process around the bill for citizens' complaints against police activity.

After the somewhat painful events of yesterday over the legislation, because I, too, felt quite exercised about the fact that Attorney General told us this was important legislation. He was bringing it in at the last minute. It was very important. It had to be dealt with. We had to get it through. We had to get it passed. And despite its great importance and the speed it had to be dealt with he didn't show up. I returned home last night to find a Christmas card from the same gentleman. I wasn't exactly thrilled with having received a Christmas card yesterday.

Hon. Mr. McMurtry: You didn't tear it up?

Mr. Warner: I didn't tear it up. It will occupy a place of importance on the mantle by the fireplace for me.

It is with a great deal of regret that I indicate I will not support the concurrence. I don't know all the little ways in which one is able to do that in this place, but I'm registering positively that I will not support this concurrence for the very basic reason that, unfortunately, there are two very serious flaws in this Attorney General's ministry. One is the conflict of interest and the other and to be rather blunt about it—and I don't often do this and it pains me in a way—I feel that the Attorney General is putting headlines ahead of duty. That really bothers me.

In my own naive fashion I had some kind of thought that the position of an Attorney General was similar to that of the Speaker of the chamber. I believed there was a certain sense of independence about that position; it was the kind of duty that says, "I will give my opinion even when it's contrary to government policy or philosophy, because I owe a duty to the people to dispense justice, to ensure and guarantee that justice will prevail for our citizens." In my own naive way I felt that that's what the position was all about. I'm not a lawyer and I'm not learned in the law and maybe I'm wrong; maybe I've misconstrued the whole history of the Attorney General, but I think that's what it's all about.

Quite franky, despite the tremendous capacity and the ability which the member for Eglinton possesses, I do not believe he is fulfilling that role of being independent and of being truly objective and of being like the Speaker.

I cannot support a concurrence in these estimates.

Mr. Lawlor: Just one thing, very shortly and briefly. I have a question I would like to ask the Attorney General. Having been absent myself I can only respond with mea culpas, I suppose. Nevertheless, not having participated greatly in the estimates—which is a blessed rest and respite for both of us for a period of time in any event—we will be back locking horns, I trust, before too long.

What, I'm asking, is going on? What strange machinations possess the Attorney

General these days? I'm thinking of a number of bills; the two we just finished and the police bill. There are several factors about these things.

First of all, in each instance they are absolutely vital and have to be pushed through this House with great celerity. I can feel the panting of the breath down the back of the minister's neck. For some mysterious reason the impetus then goes out of them. The hot air expires and they sit gently and quietly without even roasting on their particular griddle.

That police bill was so critical and so important. Not only must it be put through at a particular time, but it was not to go out to committee. That's his second edict or mandate, which apparently emanates from some closet he has; this seems to be a general rule these days. That other series of bills came suddenly out of the blue and superseded the all-important police bill; they became even more important and had to be moved through in 48 hours. The whole of the province stood at attention pending the passage of this legislation.

Even as late as last night, against what had been agreed upon by the House leader, the Attorney General's representative in this chamber was ambivalent as to whether or not these matters were to go to committee. When the government House leader showed up it was directed that that be the case and that that had been an understanding we had reached.

Why this recalcitrance? Why this curious arrogation of bills in a certain direction and with a certain temper, a kind of meanness about it? When the minister first started as Attorney General he was generous, open-handed, reformist and wishing to leave his mark on that office. Suddenly there's a closing in, there's a tightening taking place and most tightenings in this life are muscular contractions, et cetera, that may cause death pangs, or at least strangulation of the hernia—and the Attorney General must be careful, this may be happening to him, even though he goes up on the roof in the dead of winter to run around three times, et cetera.

And while I am thinking of it, the second aspect about it, apart from the performance aspect, is the substance aspect.

What the Attorney General is bringing forward to the House is not in conformity with his office as we see it. As the member for St. George took some time this morning to point out, which I won't do, somehow—and I think the Attorney General will agree with this; he has said it himself—he is above his fellows in the cabinet. He has a wider gamut, a more sovereign view. He is protective of the overall liberties and rights and privileges of the people of this province. He sees it broader.

While the Minister of Agriculture and Food might very well bring in a bill that is framed along the lines of the Trespass to Property Act, I'm saying this is highly sectional—I used the word "sectarian" but I don't quite mean that. It's sectional; it's partisan; it's directed to a fairly narrow—certainly not the overall view of the community.

In the police bill—as I construe the Attorney General's bill—there is the same emphasis, orientation and arrogation on to special interest; that's not the Attorney General's function, as I see it and I have an obligation over here to say so to him.

He will transcend that. He has a wider point of view, and that's why there is some increasing problem. His Rubicon is the police bill, as it comes on for argumentation, as he crosses that particular river between those two portfolios, because the emphasis and quality of that bill gives a particular cognizance and a role to the police—particularly the chief of police—which was never dreamed of by Maloney, Morand, by all the civil liberties concepts operative in the world, the States along with them.

Why did the Attorney General go in that direction? What is the gravamen in this particular thing? What's pushing him these days? We all say, and we say it bluntly, that the Attorney General is blatantly political. Whether he is whistling for high office—higher than the one he has, there can scarcely be a higher office, in my opinion.

In a sense the Attorney General is above the Premier. He has a wider point of view which is not as tied down to partisan or sectarian causes as he perforce must be; that's the glory of his position. The Attorney General is a relatively free man but he's not exercising his freedom. He is not exercising his freedom. He is not exercising the plenary powers he is given and the ambit of his authority. He has just drifted into it recently. Why? I'm not quite sure.

If he doesn't do that he will bring the office into disrespect and do himself harm in the final analysis. It may be an immediate gain but in the big picture it won't help. That's as much as I wish to say.

Hon. Mr. McMurtry: Mr. Speaker, time is short and I will be very brief. In response to some of the criticism from the honourable members opposite, I can only say that I appreciate that much of what they say is

done, not for partisan political purposes, but simply tongue in cheek. I am comforted by the knowledge that the members opposite are great admirers of the ministries of the Attorney General and the Solicitor General.

Once again, I'd simply like to conclude by stating that I have enjoyed and, of course, have profited from the contributions of all members during the estimates process. The matters raised today by the honourable members opposite have for the most part, been discussed at some length during the estimates in committee. I don't think there is anything I can usefully add at this time.

I want to conclude by stating that, so far as all of the members in this Legislature are concerned, my door will continue to remain open all the time for any issues concerning the administration of justice in this province.

Mr. Speaker: The resolution for concurrence in supply for the Ministry of the Attorney General has already been placed before the House at the beginning of the debate. Is it the pleasure of the House that the resolution be concurred in?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion, the ayes have it.

Resolution concurred in.

The House recessed at 1 p.m.

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No. 144

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Official Report (Hansard)

Third Session, 31st Parliament
Wednesday, December 19, 1979
Afternoon Sitting

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

WEDNESDAY, DECEMBER 19, 1979

The House resumed at 2 p.m.

STATEMENT BY THE MINISTRY

SUPERMARKET PRICING AND CHECKOUT SYSTEMS

Hon. Mr. Drea: Mr. Speaker, for some time there has been a considerable amount of concern by consumer groups and individual consumers about computerized checkouts in supermarkets and about their ultimate effects on the prices people pay for food.

The Consumers' Association of Canada has voiced its concerns that if individual prices are not displayed on products, consumer awareness of prices will diminish and the ability of consumers to compare store prices and to follow price changes over a period of time will decrease. An additional concern is that prices in the system could change instantly and frequently without the need for repricing individual products.

The food industry, on the other hand, is convinced that increased cost-effectiveness will result from these technological advances and the end result will be savings for the consumer.

My ministry has been monitoring the area of computerized checkout and unit pricing from the outset in order to ensure that any system used in Ontario will not have any effects detrimental to the consumer. It is important to keep in mind that we are talking about the long term. I am told that the earliest such a system could be in place for extensive use is five to 10 years.

For those who are not familiar with a computerized checkout system, the features include a standardized coding and symbol system—referred to as the universal product code—and automated checkstand equipment.

The UPC provides a standardized method for identifying products according to name of manufacturer and product type including size and weight of packaging container. The system consists of a series of bars and spaces affixed to products at either the manufacturing, wholesale or retail levels, capable of being interpreted by automated checkstand equipment using optical scanners.

When a universal product code is scanned and registered at the checkstand, it is automatically linked with the corresponding product price from a company's computer file which appears on a window visible to consumers and also on a cash register tape. About 80 per cent of items on food-chain shelves now carry the universal product code.

By way of background, about four years ago food chains operating in Ontario were considering installation of computerized equipment. Apprehension by consumer groups towards this technology resulted in hastily prepared legislation in several states in the US and alerted us to the emerging problem. The industry, aware of the lack of consultation with consumers, labour and government south of the border, was eager to work with these groups towards guidelines under which the system would be operating in Canada.

Under the auspices of the Retail Council of Canada, three committees were formed to prepare such guidelines: a steering committee, representing food chains; a technical advisory committee, composed of computer manufacturing companies and store operation experts; and a public advisory committee, whose members were invited from groups having an interest in the computerized system, namely consumer groups, unions, academia and government.

The public advisory committee submitted guidelines to the steering committee of the Retail Council of Canada. Revised guidelines were then presented to the food-chain companies. The main thrust of the recommendations was to enter a test period to determine the benefits and inadequacies of the system. The guidelines also included procedures as to price changes, shelf labels and information on tape receipts.

In the spring of 1978 this House expressed its view in the form of an endorsement of item pricing. At about the same time, a number of American states passed legislation dealing with item pricing. As more was learned about the computerized checkout system, different legislative approaches were designed to deal with what has proved to be a difficult area for legislative regulation.

For example, stores have historically sold a significant number of goods without prices marked, such as candy bars, milk and baby foods. Therefore, when New York state passed

its legislation it had to provide a page of exemptions from item pricing. In the state of Washington, the consumer acceptance of the computerized system resulted in the withdrawal of a bill designed to require item pricing while other states are extending their legislation. It therefore appears that a careful review of a legislative solution is warranted.

My staff has been studying the system, reviewing the potential benefits and shortcomings of equipment on the market and analysing consumer experiences with the equipment, both with and without individual item pricing. I have also had the benefit of discussions and correspondence with the Consumers' Association of Canada officials, who are monitoring stores operating with scanning. They are documenting for me their observations.

Members of my ministry have been closely observing three Loblaws stores which operate without item pricing in Ottawa, London and Stoney Creek, and we are assessing the popularity of these stores and the types of problems they are encountering. I have been informed by the president of Loblaws of his intention to operate three superstores without item pricing as a test—not only to test the system but to test consumer acceptance of it. I have been assured the results of the test will be made available to me. Loblaws has agreed not to proceed further until the evaluation has been completed and the ministry will be fully informed of any decision as a result of their test market.

I have contacted the officials of major food-chain stores to obtain their comments on their use or planned use of item-price removal. I have also asked for their comments on the benefits to consumers, what difficulties they are experiencing with the equipment and what improvements they are demanding from the equipment manufacturers to satisfy the concerns expressed by consumers.

This morning my staff began conducting an accuracy test in five stores equipped with scanning, in four Ontario centres. Fifty items were selected at random in each store and shelf prices were compared with those on the tape. We will compare the results of this test with the existing manual system to determine the relative accuracy of optical scanners.

In January the ministry will conduct a telephone survey of 900 consumers who use the computerized system in Ottawa, London and Hamilton, to determine their behaviour and attitudes towards the system in general and item-price removal in particular. We will also survey consumers to determine their price awareness and how well they remember prices on a selected number of products, both with and without item pricing.

At present there is no legislation requiring pricing on products. It is important we keep in mind that any legislation proposed so far would apply to all goods and stores. In my view, however, the ultimate decision on the operation of computerized checkouts lies with the consumer, not with the government, nor even with the industry. That is why we are going to extraordinary lengths to determine consumers' views on this matter.

In the process we will share this information with the Consumers' Association of Canada, labour and industry. Our goal is to develop a set of guidelines for the operation of computerized checkouts which will address the needs and concerns of consumers, so that all will benefit from technological progress.

ORAL QUESTIONS

PHYSICIANS OPTING OUT OF OHIP

Mr. S. Smith: A question for the Minister of Health, Mr. Speaker: I took it from the Premier's answer to my question on Monday that while the Premier (Mr. Davis) and the minister are not satisfied with the present ratio of opted-out physicians, some 18 per cent or so, they are prepared to live with that ratio, at least for now. That is what I took from the answer the Premier gave me.

When the Premier gave that answer, however, was he and was the Minister of Health aware of the figures which show such very large numbers of specialists opted out, particularly in some parts of the province? When the answer was given that they could live with the present degree of opting out, even though they weren't satisfied with it, were they both aware of the very high percentage of some specialties which now consist of opted-out doctors?

Hon. Mr. Timbrell: Mr. Speaker, I think the member himself and all of us have been aware since the beginning of the health insurance plan there have been higher degrees of opting out or direct billing in certain specialties than in general or in other specialties. I think it is a little unfair to paraphrase the Premier's remarks to say we are going to live with it. What we have been trying to do is address the reasons behind opting out, rather than using arbitrary and what have been referred to at times by members opposite as draconian measures to bring those numbers down.

The member will recall that it is not that long ago that he was predicting we would

have 40 and 50 per cent of the physicians in the province opted out. Of course, that has never occurred. It has been contained at slightly less than 18 per cent. I am confident the recent settlement with the medical association will go a long way to assisting us in bringing those numbers down further, rather than resorting to some use of clubs, as it were, which can only have a negative effect on the health-care system and on the services to the public.

Mr. S. Smith: By way of supplementary: Since the minister and the Premier continue to say they are not satisfied with the present level of 18 per cent of physicians opted out, and since the minister apparently says he was aware that in some specialties over half the people are opted out, and in some areas 90 per cent of some specialties are opted out—since he admits he is not satisfied with it and since it is also clear there is no expectation that the recent nine per cent increase will have any drastic effect in opting people back in, although it might possibly stabilize the situation—that is the Premier's word—therefore, can the minister tell the House what the Premier refused to tell us?

What targets does the minister have? What amount of opting out would be acceptable to the government and how much time is the minister prepared to give the medical profession to come back into the plan in those numbers so draconian measures, as he calls them, don't have to be taken?

Hon. Mr. Timbrell: Mr. Speaker, we simply have to take a look at the total picture. It is attractive to some, and obviously to the member, to take individual figures and say that indicates there is no accessibility, that all the services are opted out.

I would remind the member again that 91 per cent of all the claims on the health-insurance plan are opted-in claims. Notwithstanding the fact we have slightly less than 18 per cent of all physicians opted out and in certain specialties higher figures—in some cases much higher figures than that—the bulk of the services being provided to the people of Ontario are being provided at opted-in rates. The use of the billing groups in the hospitals, which has broadened this year to use all the clinical departments of all the hospitals, not just the teaching hospitals, has assisted in bringing that about.

Since the beginning of our health-insurance plan in the province, physicians have had a right to choose between direct billing as opposed to billing the plan. Today we have more opted-in physicians, specialists and GPs than when the plan began, notwithstanding that the percentage figure is different today from what it was at that time, or a year ago; I don't have a specific figure in mind. I believe the present system is one that has served the province well. We have every reason to believe accessibility and universality have been maintained without having to resort to measures which would in effect put the doctors on the payroll, as it were, and make them quasi or real employees of the government and drive a lot of them out of Ontario.

One of the things I have tried to do is to retain an atmosphere where the doctors feel they are welcome to practse medicine in this province and not to drive them away. This year the figures I have seen would indicate the number of doctors leaving Ontario has dropped by 40 per cent from a year ago. I don't think we want to reverse that again. **[2:15]**

Mr. Cassidy: Mr. Speaker, on April 14, 1978, the minister told the House, "We have the means, and we have been doing it regularly, to follow the distribution of physicians, not only just in numbers, in hundreds or thousands, but as between specialties and general practice and between opted in and opted out."

Has the minister been aware, since April 14, 1978, of the fact that opting out in some specialties in major communities in the province is as high as 100 per cent? If so, why has there been no action by the ministry to get the opting out down to a reasonable level, or to eliminate it entirely?

Hon. Mr. Timbrell: Mr. Speaker, I seem to recall a number of years ago when the Honourable Dr. Potter was the Minister of Health—when I sat two rows back of the member in what was then affectionately known as the rump—various discussions about the question of opting out. We have all been aware, since the beginnings of the plan, that for a variety of reasons in certain specialties there have been higher than average levels of opting out. I would remind the honourable member yet again that to combat that and to retain accessibility and universality the government a number of years ago introduced the regulation that provided for billing groups—first in the teaching hospitals and in the emergency departments and more recently in all the clinical departments of all public hospitals.

Therefore, notwithstanding the fact that slightly less than 18 per cent of all physicians—higher figures in certain categories and certain areas—and only about nine per cent of the claims are opted out, there are

very few problems, judging from the response of the public.

Mr. Conway: A supplementary to the minister: Are we to believe that the minister is not satisfied with the 18 per cent opted-out rate, and are we to believe the comments associated with the minister and the Premier that this is not a satisfactory percentage?

If the Minister of Health is not satisfied, what is he doing to bring that figure down to a more acceptable percentage? In that connection, has the minister finalized the government's presentation to the Hall commission on medicare? Would he be prepared to table his submission to the Hall medicare commission before the House rises later this week?

Hon. Mr. Timbrell: Mr. Speaker, the submission has not been completed. I met with the honourable gentleman two weeks ago for a preliminary discussion—just to get acquainted and to discuss health care in general. I'm not sure of the dates being arranged for public hearings but they will be public. Any submission we finally make will be a public submission, but it is not completed at this point.

We would all like to see opting-out figures come down. We would like to do it in such a way that we are addressing the reasons behind it.

I would remind the member that we did go for about six or seven years with a relatively constant percentage level and an ever-improving availability of opted-in specialists as well as GPs. I again remind the member that we have more of them today than we had when the plan began. Over this year, the number of physicians opted out has come down slightly. It peaked in the first couple of months of 1979 at 18 per cent and has now fallen to 17.8 per cent.

I feel that by addressing concerns about income through the fee schedule, by addressing concerns about red tape and bureaucracy and by addressing concerns about the method of payment we can bring the numbers down without having to resort to measures which I think can only lead to a regression in the quality of health care in the province and which would, in certain communities, probably deny people access as physicians would leave.

Mr. Cassidy: Supplementary: Would the minister not agree that it is intolerable to have 3.5 million claims a year being billed by opted-out doctors at rates that are 42 per cent higher than the OHIP fee schedule will allow? Will he also not agree that because far more specialists are opted out than the proportion of general practitioners opted out, the value of claims billed on an opted-out basis will be far higher than the figure he keeps bringing back into the House?

Why won't the government come to grips with the problem and ensure that everybody in this province can get those medical claims paid at the OHIP rate, without having to pay extra?

Hon. Mr. Timbrell: Mr. Speaker, with respect, the member assumes again. He takes the raw numbers and he makes certain assumptions that because a physician is billing his patients directly he is billing at 42 per cent or whatever. In point of fact a number of physicians who have always been opted out or in a position of direct billing have never billed higher than OHIP. There are many in that category who, on principle, have never been participating physicians. I think we have to respect that. The services are available. The people are not being denied. The point is that only nine per cent of the claims are being billed directly and that the health of the public is not suffering.

HIRING OF CONSULTANTS

Mr. S. Smith: A question for the Minister of Community and Social Services regarding an item on page 48 of the provincial auditor's report. The minister will be aware that a former employee of the ministry became a consultant rather suddenly after leaving the employ of the ministry and was hired as a consultant by the Ministry of Community and Social Services. What I would like the minister to tell the House is first of all, who is this overnight consultant who left his ministry and then was hired as such? What was he earning before he left the ministry? Who is it that hired him as a consultant? And how many others were hired as consultants in the same type of situation by that ministry?

Hon. Mr. Norton: Mr. Speaker, I am rather reluctant to name the person individually. I will certainly indicate his position and so on in the ministry. He was a long-time employee of the ministry in a senior position at an executive director level. He is a chartered accountant and had indicated to us in the ministry some time last year his intention to leave the public service and go into private practice. The situation that developed this year, particularly relating to the budget, in which area he had a great deal of experience and involvement, made it necessary under the provisions that are

allowed in the administrative manual for purposes of continuity in program to ask him if he would stay on. This was not as a management consultant as I think the article in the newspaper stated but rather as a technical consultant and was simply to complete the process he was already involved in at that point, after he had set up his practice.

The important thing to bear in mind here is that the figure referred to both in the provincial auditor's report and more recently and erroneously interpreted by one of the Toronto journalists is not his salary by any means. That involves the salaries for three persons who are employed under that contract.

Mr. McClellan: Plus the overheads, I'm sure. Don't forget the overheads.

Hon. Mr. Norton: No, as a matter of fact the other error that exists there is the figure of $66,450. I believe it is the one that was used and it is referred to as being applicable to a four-month period. That is not correct, either; it was for a six-month period. The employee was employed in the ministry at a salary level of approximately $42,000 which, if one includes the fringe benefits that were part of the package that he was entitled to as a civil servant, totalled about $49,500. This would have been his total earnings from the ministry prior to his leaving the ministry.

Under the terms of the contract, when one takes into consideration the salaries that are paid to the two other persons who are working under that contract in addition to himself, his net salary from that contract, on an annualized basis, is $54,000. Under the period of the contract referred to in the auditor's report and in the newspaper article he received about $27,000, rather than $66,450.

I would point out the relevant comparison is between his former salary and fringe benefit package of $49,500 and the income he would receive on an annualized basis, if this were an annualized contract, of $54,000. That is the relevant comparison and puts the matter in perspective.

Mr. S. Smith: By way of supplementary, do I take it that the minister is saying the provincial auditor is wrong in saying the agreement covered a four-month period—that somehow or other it covered a six-month period, but the provincial auditor is mistaken?

The second thing is the minister is saying there are two more salaries. If so, would he please tell us at what level those employees were hired and what their salaries would be in the civil service if they were working in the civil service, and whether he had people in the ministry who could have been giving that kind of help if it were merely secretarial work or the kind for which he has other people already there to perform? In general terms, since the name will have to be eventually given to the public accounts committee, doesn't he feel he should level with this House and say precisely what the situation was?

Finally, who hired him and why tenders were not called in this case?

Hon. Mr. Norton: Mr. Speaker, if I can remember the sequence of the questions, I don't know the names of the other individuals involved. I'm hesitant to name the individual but I'll name him. I suppose it's proper to do so. It's not a question of focusing upon the individual involved but the principle that is the important matter.

The individual involved is Mr. Barry Dalby, who has been an employee of my ministry for a number of years. I can't give the member the precise figure of the income of the other two. They are not secretaries, as I understand it. They are associates, people associated with him in the execution of carrying out his duties under the contract. They must be paid. If the members look at the figure of $66,450 of which he would receive $27,000, then they obviously must be receiving at least an average of something under $20,000.

The member asked why this matter was not tendered. The matter was not tendered because there was no one else we knew of who had the degree of involvement and expertise in what he had been doing. In order to ensure the continuity, it was necessary for us to ask him to extend his involvement with our ministry.

Mr. T. P. Reid: That's rather an unsavoury practice.

Hon. Mr. Norton: It's not unsavoury at all. It's bloody good management, I'll tell the member for Rainy River.

This gentleman had been engaged for a lengthy period of time and involved with the development of the budget and working with children's aid societies.

Mr. S. Smith: Why didn't he stay on another six months?

Hon. Mr. Norton: He had already given us notice and had set up his own practice. He had made a commitment to begin his practice. We were asking him if he would vary his plans in order to provide the continuity necessary in the work that he was doing. It

was not a matter of his setting up some straw man, some false company or whatever, and then carrying on doing his same duties. He was to leave. He had made plans well in advance to leave. We asked him to stay on because it was essential there would be that continuity. He agreed to comply.

I suggest to the member that if he looked at the figures comparatively, he will see he agreed to stay on at a level of income to himself that compared very closely with what he was making before. The member cannot, on the basis of the figures I have given him, allege there was any profiteering or ripoff or anything else under that contract. I think it was a very fair contract. The man made a sacrifice to stay on with us.

[2:30]

Mr. McClellan: Supplementary: The minister talks about the principle of the issue. What is the principle involved in his little buddy system over there where they give contracts in violation of the manual of administration procedures and give contracts to ex-employees who, in the words of the provincial auditor, "are one-man operations who, in the view of the audit services branch, have only one client, the Ministry of Community and Social Services." Where is the principle he's adhering to there, except for the maintenance of a cozy little buddy system within the ministry?

Hon. Mr. Norton: I suppose that is typical of the attitude of the honourable member opposite to express it in those terms. May I first point out that this contract we were just talking about was not in violation of the manual. As I understand it there is specific provision within the manual that under certain circumstances, when continuity of program is necessary and where alternatives are not available, these kinds of decisions can be made and have been made in this instance.

With respect to the number of consultants' contracts or whatever the member wishes to call them, he knows as I do that there have been a great many specific projects that have had to be done by the children's services division of my ministry in a very short time over the last couple of years.

I can assure you, Mr. Speaker, I have had the projects that were referred to by the auditor examined by our staff. I am assured each was distinct and separate in terms of their requirements. It was not a matter of maintaining individuals—

Mr. Cassidy: You've lost control of your staff.

Hon. Mr. Norton: That's malarkey.

Mr. McClellan: Save it for the public accounts.

Hon. Mr. Norton: We certainly will.

Mr. Speaker: Order, order.

Hon. Mr. Norton: We have no hesitation at all in justifying this before public accounts. I would point out to the member I believe and I think we can demonstrate that we are saving the taxpayers of this province money by using specific people with the skills and the expertise we require on a specific project basis, rather than building up a burgeoning bureaucracy within the division that we have a commitment to a long-term basis once these projects are finished. We could have many times the number of civil servants we now have in that division if for every project we had to get done we made a long-term commitment to a civil servant. This is a much more sensible and economic way to approach it.

Mr. Sargent: Supplementary: Wouldn't the minister agree that if this happened in the private sector where the president of a company found someone with their hands in the till like this, the man responsible for okaying the order should be fired? We haven't found out yet who was the one that approved the order to do this, the deputy minister or the minister. The gut issue or the bottom line is who approved of this, the minister or the deputy minister?

Hon. Mr. Norton: Formally, I suppose, my deputy did. I was aware of it and I assume responsibility. I'm the responsible person.

Mr. Sargent: So the minister okayed it?

Hon. Mr. Norton: May I just say one thing further, Mr. Speaker? It's important that I say this. The honourable member made a statement about somebody having their hands in the till. That is absolutely not true. I would ask him if he would like to step outside the Legislature and say that where the persons who were involved would have the opportunity to prosecute or to sue him in court for the aspersions that he has cast upon their integrity.

Mr. Sargent: Come on out; I will go out any time you please.

Hon. Mr. Norton: These are responsible senior servants of this government and I'm not going to sit here and allow the member to make such irresponsible statements. Please, step out in the hall and repeat it.

Interjections.

Mr. Sargent: Point of privilege.

Mr. Speaker: There's nothing that constitutes a point of privilege.

Mr. Sargent: I don't like what he said.

Mr. Speaker: That's your problem.

Mr. Cassidy: They have problems, Mr. Speaker. This headline of the Ottawa Citizen says, "Ontario Liberals Don't Want Trudeau." They've got real problems.

PHYSICIANS OPTING OUT OF OHIP

Mr. Cassidy: Mr. Speaker, I have a question of the Minister of Health. Now that the ministry has finally published this directory of opted-in and opted-out physicians which we were looking for as early as a year and a half ago, is the minister aware that according to the records of his ministry all of the urologists in Halton county are out of the Ontario Health Insurance Plan and more than half of the urologists in Niagara, Waterloo, York region, Peterborough, Toronto, Etobicoke, North York and Middlesex are out of OHIP?

Is the minister aware that half of the obstetricians in Halton are out and that the figure is more than half in Niagara, Sudbury, York region, Peterborough, Toronto, Scarborough and in North York? Is the minister aware that more than half of the anaesthetists are out of OHIP in virtually every centre which we were able to monitor in the short time we've had this particular document?

If that's the case, can the minister say why is it that for the last year and a half—when he allegedly was monitoring the opting out by specialists across the province—he has engaged in covering up the scandalous amount of opting out taking place by specialists in Ontario and the restrictions on medical service to the people of the province that entails?

Hon. Mr. Timbrell: Mr. Speaker, first of all I would have to ask for you, sir, to have that particular aspersion to me be withdrawn which was the casting of the suggestion that I was covering up. I don't expect the honourable member to do that since I've sat here for eight years watching and listening to him do that kind of thing with great abandon. That's why he's over in that corner and not in this corner.

The point is—I have to keep re-emphasizing it—I'm not sure whether he said neurologist or urologist, but if you take it by county there might be one urologist in a county and there might be two or three obstetricians in a county, and because one of them has opted or the only urologist has opted, it comes out 100 per cent because there is only one of them. If there are four of a particular speciality and two are out, it comes out at 50 per cent. That's what you can do with figures, Mr. Speaker.

The fact is that 91 per cent of the claims on the plan are being paid directly by OHIP. The fact is we have more opted-in doctors today than we ever had at the beginning of the plan. The fact is the services are as accessible or more accessible to the people of this province than they ever were. There's the proof of it, close to 12,000 names of opted-in physicians and physicians who are members of billing groups.

Mr. Cassidy: Supplementary: Since the minister obviously is not aware of the situation which prevails concerning the opting out by specialists, since he maintains it's just a matter of one or two accidents of statistics, can he explain why it is half the psychiatrists, 122 psychiatrists, in the city of Toronto are opted out; 14 urologists, which is 50 per cent of the urologists in Toronto, are opted out; 23 of the orthopaedic surgeons, or 51 per cent, are opted out; 42 of the ophthalmologists, or 67 per cent are opted out; 77 of the obstetricians in the city of Toronto, which is 61 per cent are opted out; or 122 of the anaethetists, which is 85 per cent, in the city of Toronto are opted out?

Is the minister not aware that those are the kinds of figures which prevail of the large numbers of specialists who are opted out? Would the minister explain why it is that senior officials in his ministry inform people in our party that the minister, despite all of the requests we have made over the last year and a half, has not asked his ministry to give him the figures on the proportion of specialists opted out in the counties of the province until we got them in this red book today?

Mr. Rotenberg: Why don't you opt out?

Hon. Mr. Timbrell: He opted out of medical school, at one point apparently, but that's another thing.

Mr. Speaker, it reminds me of the time in the spring when a member—I think it was the Leader of the Opposition, Mr. Smith—raised a question about one of the hospitals here in Toronto, where all the anaesthetists were then, and I assume still are, opted out and always have been. One can take those figures and say, "That must mean that all of the business is opted out."

In that particular example—I think it was the Toronto Western Hospital—70 per cent of their accounts were opted in through their billing group, notwithstanding that fact. One can do anything one wants with the numbers, particularly when there is this distribution of specialists. There are a couple here

and a couple there by county and by region, and one can almost do anything one wants.

The fact is, when we come right down to it, people are getting the services they need. Ninety-one per cent—I repeat it again, 91 per cent—of the claims are direct to the plan. I invite the honourable member to tell me, when we consider that in Saskatchewan, his great Valhalla, 35 per cent to 40 per cent of the physicians are opted out, does that mean services aren't accessible in that province?

Mr. S. Smith: The minister points out that 91 per cent of the claims are still coming in in the opted-in manner. Does he not recognize that one of the reasons for that is his own ruling whereby doctors can see the less well-off patients in their hospital clinics and the better-off patients in their own offices? Does he not recognize that when he allowed doctors to be opted out in their own offices, but opted in in their hospital clinics, it allowed then for people who do not have much money to see the doctor in the hospital clinic instead of back in their own home office? Does the minister not recognize that that is a step back toward the two-level medicine, whereby the better off could be seen in the offices of the physician while the less well off are sent to line up in the hospital clinics? Does he want to return to that kind of system?

Hon. Mr. Timbrell: Mr. Speaker, with respect, I think the honourable member does the doctors a great disservice when he makes that kind of a generalization or allegation. In every experience I have ever had as Minister of Health or as a patient, the physicians of this province have served every person with whom they come into contact as well as the last person they served, whoever they were, wherever they came from, wherever they are going to.

It's a great temptation, I know—and certainly that party jumps on it at all times and the honourable member seems to be sitting on the fence wondering which policy to have this week—to use the doctors as political whipping boys, to try to ride on them. It's not easy to stand here and not get angry sometimes at some of the crass political things that come from across the way.

I think we have been well served compared with any other jurisdiction, including Saskatchewan—and I'll come back to that if the members want—including Saskatchewan. The services here are as accessible, if not more accessible, than those anywhere else.

Mr. S. Smith: You're satisfied then, eh? Come out and say so. Don't be political, just say you're satisfied.

Hon. Mr. Timbrell: Mr. Speaker, one is never satisfied with less than perfection. We are not going to address problems and we are not going to solve problems by using the medical profession as the whipping boys.

Mr. Cassidy: Supplementary: Before the minister succeeds in his efforts to mislead the House, may I put on the record, Mr. Speaker—

Mr. Speaker: I think the honourable member should change the record. There is a clear implication there that somebody is being less than truthful. I think the honourable member should withdraw that and rephrase it.

Mr. Cassidy: It was almost intended, Mr. Speaker, but I will withdraw the remark and simply point out to the minister that only 3.5 per cent of claims in Ontario are billed at over the Saskatchewan medical plan rates, whereas, in this province 18 per cent of the doctors are opted out. We do not know, because the minister has not put—

Hon. Mr. Timbrell: On a point of order.

Mr. Speaker: There is nothing out of order.

Mr. Cassidy: Mr. Speaker, will the minister explain how individuals can go to a specialist, in that specialist's office, and be able to receive care at the OHIP rate in such communities as Halton where 100 per cent of the urologists are opted out of OHIP, or Peterborough where 100 per cent of the urologists and the orthopaedic surgeons are opted out of OHIP, or Sudbury where the only ophthalmologist is opted out of OHIP, or other communities where the opting-out rate also reaches 100 per cent?

Can the minister explain how an individual is to get care at the OHIP rate if that individual goes to the doctor's office? Will the government now undertake to rescind the agreement between OHIP and the OMA until there is a clear agreement by doctors in this province that no patient will be billed any extra amount above the OHIP fees?

[2:45]

Hon. Mr. Timbrell: What the doctors would like us to do in this province is to introduce the Saskatchewan plan with the three billing modes, including mode three, under which, according to what I was last told, 35 to 40 per cent of the physicians in Saskatchewan are billing some of their patients for some services some of the time. That's opting out à la Saskatchewan. That's the point I was making before.

Mr. Cassidy: The minister is misleading the House, Mr. Speaker.

Mr. Speaker: Order, order. I am not in a position to know whether he is or not, but I know you don't have the right to say so. Now please withdraw it.

Mr. Cassidy: He should withdraw as well, Mr. Speaker.

Mr. Speaker: Do you have a new question?

Mr. Cassidy: Yes, I do, Mr. Speaker.

Mr. Martel: The minister knows what he is doing. It's 3.5 per cent and the minister knows it.

Mr. Cassidy: The minister should resign, that's what he should do, for his coverup. He's been covering up. That's what's been happening.

Mr. Speaker: Order. If the member has a new question, let him put it forthwith or I will recognize another member.

AUTO INDUSTRY LAYOFFS

Mr. Cassidy: I have a question of the Minister of Industry and Tourism, Mr. Speaker.

Can the Minister of Industry and Tourism explain why he stated on television last night that the situation with the auto worker layoffs in Windsor wasn't really so bad because laid-off workers were collecting supplementary benefits on top of their UIC cheques? Is the minister not aware that the Chrysler supplementary unemployment benefit fund actually ran out in late August and the only special funds now available are those to workers with 10 years or more seniority? Is the minister not aware that there are some 2,400 Chrysler workers who are on indefinite layoff and whose only benefit is their unemployment insurance cheque, which is only 45 per cent of what they were earning previously?

How can the minister claim he is monitoring the layoff situation in Windsor when he is so obviously misinformed about the suffering being imposed on the workers because of these layoffs?

Hon. Mr. Grossman: I regret the member got so worked up over what he believes to be the context of my comments yesterday. I didn't see the newsclip, but the answer I gave was in response to a general question about the automotive industry. I was indicating a large portion of the layoffs in the auto industry was affecting people who were receiving the supplementary benefits I have referred to. I also indicated that was not the case for a large number of the Chrysler workers.

In the context of the question as it was asked and as it was answered, it is entirely consistent with the remarks the member has just made. That is, many of the Chrysler workers, most of them, are not in a position to get 90 or 95 per cent of what they were previously given. The member is quite right, the majority of the Chrysler workers are in the situation where they are getting about 45 per cent. We agree, and I didn't say anything differently yesterday.

Mr. Cassidy: Supplementary: I would like the minister to explain. Is he not aware there are close to 1,000 workers in the parts industry in Windsor who are getting no other benefits except UIC payments? Is the minister not also aware that by the end of the month there will be 1,400 Ford workers in Windsor who will have exhausted both their supplementary unemployment benefits and their unemployment insurance benefits?

How can we have any confidence in the way the minister would handle the situation if Chrysler is forced to shut down if he can't even keep track of the real suffering occurring in Windsor, not just with Chrysler workers but also with workers in many other companies?

Hon. Mr. Grossman: The member wants to keep saying our figures are different to theirs. We are monitoring the situation and we know exactly what it is.

The member disregarded the answer I gave to the first question, which indicated we were aware of which workers were receiving how much assistance in both cases. I don't dispute the figures he has just recited on Ford. We do agree on those figures and I will tell him his friends at the UAW will confirm we are in constant contact with them in order to get both their up-to-date figures and the up-to-date figures from Canada Manpower and the automotive companies. We do have those up-to-date figures. We are monitoring them and our figures are exact.

I will say to the leader of the third party, if he wants to talk about exact figures and if he wants to talk about fairness in terms of getting a good view on the picture, it does a disservice to do what he continually does —total the different layoffs when a firm lays off workers for a week at a time, as he did last week.

Twenty-four hundred workers were laid off one week in October; the same 2,400 were laid off the third or fourth week in October for another week and he calls that 4,800 layoffs in trying to paint a picture that the layoffs were of much more monumental proportions than they are.

They are serious layoffs and we are very concerned about them. But with respect, the

honourable member does the situation very little justice by compounding those figures and treating them all as gross figures, instead of giving them as net figures and giving an accurate view on the situation.

Mr. Bounsall: Supplementary.

Mr. Speaker: A very brief supplementary. We have spent 42 minutes on leaders' questions and supplementaries

Mr. Bounsall: But not much on this last one, Mr. Speaker.

Is the minister aware that besides the 1,400 Ford workers who will go off UIC benefits this month, there are some 1,000 Chrysler workers and 700 in the parts industry in the same position? Will the minister immediately impress upon the federal government—Lincoln Alexander, or de Cotret, or whomever—the need to establish immediately a transitional assistance benefit fund for those 3,500-plus workers whose only alternative at the end of this month is welfare, during what is really only a transitional period while Ford adjusts its production and while Chrysler recovers?

Hon. Mr. Grossman: I have stated earler that, as the honourable member well knows, we can only make recommendations to the federal government. I must also remind him that my ministry has no programs whatsoever intended to look after workers in terms of supplementary payments.

Of course, the honourable member's questions are more properly directed to either the Minister of Labour (Mr. Elgie) here, or more properly, to the federal minister of labour. The Ministry of Industry and Tourism is not set up for nor is it mandated for providing supplementary assistance to workers that are laid off.

[Later (3:00):]

Hon. Mr. Grossman: Mr. Speaker, on a point of personal privilege, I want to clarify the record. I have had an opportunity now to have clarified for me by the CBC that the context in which my comments were carried about the automotive industry yesterday were indeed totally in the context of the situation in the automotive industry generally and not with regard to the Chrysler situation.

[Reverting 2:53:]

DISTRICT OF PARRY SOUND LOCAL GOVERNMENT ACT

Mr. Epp: Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs. Given the fact that Bill 100, An Act respecting the Local Government of the District of Parry Sound, passed last June; and given the fact that in section 12 of that act he has the right to incorporate two municipalities—two townships—into one municipality, could the minister indicate to the House whether he has received a request from either or both of those municipalities asking to be incorporated and, if so, what his response has been?

Hon. Mr. Wells: Mr. Speaker, to the best of my knowledge I haven't received an official request from either of those municipalities. I say "to the best of my knowledge" because it may be in the mail I haven't seen—in my office somewhere—but certainly in any correspondence I reviewed up until yesterday I haven't seen any request from those areas.

Mr. Epp: Supplementary: If the minister were to receive such a request from either or both of those municipalities, could he indicate to the House whether he would incorporate those two municipalities before the first full term of three years had elapsed?

Hon. Mr. Wells: First of all, it is my understanding—and I am just recalling from the bill—that the councils don't actually come into being until January 1, 1980. Therefore, we wouldn't have received any request because there is no legally constituted council yet. That is what I understand.

The other answer to the question is that when I receive the request and the accompanying material with it, I will then consider it and make up my mind as to what my response would be.

SUPERMARKET PRICING AND CHECKOUT SYSTEM

Mr. Swart: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations, as a result of the report he tabled today. Recognizing that that report is really a wait and see, and that in the interim he is going to do his own survey and use Loblaws' surveys to determine if he is going to do anything about seeing that the price tags remain on individual products, is he not aware that exactly such surveys and studies have been done in the United States? I brought one to his attention just last week. Those studies show irrefutably that there is a substantial loss of price consciousness on the part of the consumers. Doesn't the minister realize that the whole matter of the universal product code and the elimination of tags is handled so subtly that the consumers themselves are not often aware of the loss of price consciousness? Doesn't the minister really think the surveys during a test period are almost meaningless and that

there is enough evidence now for him to make a decision and protect the consumers?

Hon. Mr. Drea: Mr. Speaker, in rough order. One, I never recognize any survey from the United States. Two, this is not a wait and see.

Mr. McClellan: Why?

Hon. Mr. Drea: Why? If I have to explain that one, there is a very fundamental difference between society and business practices in the United States and here. I do my own work. I don't copy it from the state of Mississippi or some other place where the member popped in to buy one of his specials again.

Interjections.

Mr. Speaker: Order. Do you want a response?

Hon. Mr. Drea: Mr. Speaker, I am not adopting a wait-and-see attitude. If the member can read—and I trust he had the statement available, because everybody else did—I already pointed out the things I am doing.

I am not relying upon Loblaws; I am not relying upon the industry. I said it very concretely, emphatically, bluntly and in words of one syllable. The consumers of this province are going to decide what is going to happen in the computerized checkouts. It is not an area for the paternalism so often expressed by the member, the subtlety that consumers don't know what is going on. The member has just insulted about eight million people across the province with that one.

The consumers of this province are very sophisticated, can deal with complex problems and have to make many decisions every day. One of the decisions consumers are going to make is how this technological advance —and believe me what is there now is only primitive to what will be coming in the ensuing years—is going to be handled.

The operative part of what we are doing is that this technological advance will be used to the benefit of all. What we are doing is unprecedented in North America. Ten states have tried to grapple with this. That gives you an idea how good the American surveys are, Mr. Speaker. Many of them have found that in their endeavours to grapple with it they have produced dreadful legislation that has to be constantly revised.

I went to great lengths in my statement today to say exactly what we are doing. For once the consumers of Ontario will decide, rather than have the customary paternalism of the member for Welland-Thorold who doesn't believe they are capable of making their own decisions.

Mr. Swart: By way of supplementary, Mr. Speaker, can I ask the minister, from his own report does he not recognize one of the major concerns of the Consumers' Association of Canada is the likelihood that supermarkets, when not using individual pricing, will be much more apt to raise their instocks prices?

How can the minister check this major threat? Doesn't he think the major supermarkets will be smart enough not to do this until the systems are in place and then they will sock it to the consumers? Why doesn't he recognize that the elimination of price tags by the supermarkets is simply a scheme to enhance their profits and bring in legislation to stop the elimination and, once and for all, protect the consumers?

Hon. Mr. Drea: Mr. Speaker, there are a couple of companies who found out this week you have to get up pretty early in the morning to get around this minister. I assure you, we know what we are doing.

[3:00]

HIRING OF CONSULTANTS

Mr. Blundy: Mr. Speaker, I would like to ask the Minister of Community and Social Services a question.

The minister will recall that in March of this year I asked him a question regarding the number of consultants his ministry has hired. With regard to the person who has been spoken of earlier, would the minister answer some questions?

Did this person, after he left the ministry and started the consulting business and came back to the ministry, still carry on his consulting business as well as his duties with the ministry? Why did he have to bring a couple of employees along with him on this particular consultation job?

Third, how is the minister going to explain to all the peope the deliverers of children's services and the parents and the children of this province who have been so sorely restrained in children's services, these kinds of moneys to these consultants?

Hon. Mr. Norton: Mr. Speaker, once again I think it is important that the honourable member bear in mind what I said earlier. He is implying there is unnecessary expenditure here, that there is money being spent that would not otherwise have been spent. That's not the case.

I thought I went through it in some detail —and I'll get more detail if the member requires it—indicating that the man who was retained, for the reasons I explained in response to the earlier question, at most may have been receiving something like $4,000 a year more than he had previously made as an employee of the ministry.

It's not a matter of a ripoff or a great windfall for him. He was not able to carry on his own business. He had set up his business but he gave his full time to the duties he assumed in the ministry in order to carry out the duties under the terms of the contract. He is not working half time with the ministry or anything like that. It is a full-time commitment. And I can assure the member it is the kind of full-time commitment that means I have had meetings with that fellow during the time he has been working under the terms of the contract going as late as 11 o'clock at night. He doesn't get paid any extra for that. I want to assure the member of that. He is a very hard-working and dedicated employee.

If he had wanted to deny us access to the experiences and involvement he had had on an ongoing basis with the ministry and say, "No, I'm going into my private practice," I'm sure he could have benefited much more by devoting his time solely to other kinds of contracts. But he gave his full time under the terms of this contract for the amount of money paid to him which I have indicated is about $54,000 a year on that basis.

Mr. Sargent: Supplementary: If the minister had not been caught in this, would he do it again? How long has this been going on and to what amount?

Hon. Mr. Norton: I think the amount of the contract was dealt with in the auditor's report, the only problem being there was an error in the length of the contract in the auditor's report. It was for six months instead of four. I can't verify this point—I will later —but I believe there has been an extension of that because his work is not yet complete.

Would he do it again?

Mr. Sargent: No, would you do it again?

Hon. Mr. Norton: Absolutely. Without any apologies or reservations—

Mr. Sargent: At a rate of $200,000 a year?

Hon. Mr. Norton: —because there is nothing wrong with what is being done. That man is doing for the people of this province work for which he has become uniquely qualified and he is not going to continue to be an employee of the ministry. As soon as this work is completed his work with us will be completed and he will go back to continue with his private practice.

I have no apologies to make—I want to assure the members of that—for that man being there. He is doing good service to the people of this province and I would say he is bringing to bear upon his job unique qualifications I couldn't have found anywhere else, certainly not people with his experience. The members over there can try to create some kind of innuendo or misunderstanding or scandal if they like, but there bloody well isn't. There isn't. It's clean, I can assure them. I stake my reputation on that.

UNEMPLOYMENT IN WINDSOR

Mr. Mackenzie: A question for the Minister of Labour: Given the high unemployment rate in the Windsor area, would the Minister of Labour, as a matter of some urgency, attempt to get the federal authorities to separate Windsor from the relatively high unemployment areas of London-Sarnia for purposes of unemployment insurance to allow for a longer period of coverage for unemployed workers in Windsor; and will the minister also tell us at the same time what steps he's taking in terms of planning to protect the workers at Chrysler in terms of both wages and their pension credits?

Hon. Mr. Elgie: Mr. Speaker, some time ago the member for Windsor-Riverside (Mr. Cooke) asked me about transitional assistance benefits. I did take the opportunity to write to the Minister of Employment and Immigration in Ottawa with that question I have not yet received a reply, so that's one part of it.

Second, I will be glad to discuss the matter raised by the member with the Minister of Employment and Immigration as soon as I can get in touch with him.

PUBLIC HOUSING

Mrs. Campbell: A question for the Minister of Housing: Yesterday I asked him if he would make a clear and unequivocal statement in order to assuage the fears in the minds of Ontario Housing tenants in Metro Toronto. He gave a philosophical position. Would he today tell me in clear terms that the NDP is wrong in telling these tenants he will be selling or may be selling these projects and they will have to relocate? Will he give that clear statement?

Hon. Mr. Bennett: Mr. Speaker, first of all I take absolutely no responsibility for the inaccuracy of NDP remarks either in this municipality or anywhere else in the province, because they are prone to do it on every occasion when they see some political advantages. If the member for St. George would read the Hansard of yesterday, my remarks were as explicit, clear and to the point as they could be.

Mrs. Campbell: Mr. Speaker, we have all read it and tried to find an answer. The member's Premier has boasted about his and

his government's concerns for people. Does he not realize that right across Metro Toronto, OHC tenants are living in absolute fear because of these statements? Is he incapable of making a clear statement on this subject?

Hon. Mr. Bennett: Yesterday, I thought I made the point very clear, explicitly clear.

Mr. S. Smith: You didn't.

Mrs. Campbell: You didn't.

Hon. Mr. Bennett: Do the members want the answer or do they want to keep yakking?

I said very clearly and distinctly yesterday that we had a policy and a program that wasn't only provincial, but federal and municipal, and I said clearly that we recognized this day and forward our social responsibility in providing housing for the less fortunate in Ontario, not only in this Metropolitan Toronto area. There are other areas in the province that have similar problems.

I said clearly that if we have the opportunity of selling some of the single, freestanding homes currently owned by the Ontario Housing Corporation and they became vacant and someone made an offer to purchase them, we could very well find ourselves in a position of selling them. Obviously, in multiple-use facilities, whether they be garden homes, row housing, apartment buildings and so on, the opportunity of trying to dispose of those units doesn't exist.

I said yesterday we were going to try and change the social mixture we have in the public ownership in Ontario. We'll accomplish that, not only by bringing people of higher incomes into our social housing but, indeed, if we sell off some housing, or use housing for higher-income groups than we presently have been accomodating, we will have, and I said so yesterday—and I trust the member for St. George can read—I said clearly and distinctly yesterday that at least a similar number, if not a greater number of units, would be secured from the private sector under a rent supplement program by agreement.

PETITIONS

STORAGE OF RAIL CARS

Mr. Swart: Mr. Speaker, I have a petition signed by 378 people, mostly in Port Robinson, including the mayor and eight aldermen from Thorold, addressed to the Honourable, the Lieutenant Governor and the Legislative Assembly of Ontario.

We, the undersigned, beg leave to petition the Parliament of Ontario as follows:

We protest the spotting and storing of railway cars containing highly toxic, explosive and inflammable materials adjacent or close to one another in the railyard at Port Robinson. We urge the Ministry of the Environment to examine the products contained in the rail cars, including picric, vinyl chloride, propane and liquid petroleum, and publicly report on the interaction possible and degree of disaster which could ensue, and further, to ensure that there are plans in place to deal with any such disaster. We call on the Minister of Transportation and Communications (Mr. Snow) to make forceful input to the federal bill, C-25, An Act to promote Public Safety in the Transportation of Dangerous Goods, so as to assure the bill's adequacy in providing full safety during transit and storage.

HEALTH SERVICES

Mr. Cassidy: I have the following petition, Mr. Speaker. It is, in fact, an addition to the petition which I submitted to this House on November 20 which, as you recall, protested the government's program for health care, opposed extra billings by doctors and called on the government to ensure that everyone in Ontario has full health-insurance coverage.

There are 4,898 signatures in this package to add to the 275,000 signatures which have already been submitted and to the 75,000 forms which were given to the cabinet when the Ontario Federation of Labour met with the cabinet last Thursday. I call on the government to take heed of this petition, to stop extra billing by doctors and stop the cutbacks in health care.

Mr. Wildman: Mr. Speaker, I also have a petition addressed to the Honourable, the Lieutenant Governor and the Legislative Assembly of Ontario.

We, the undersigned, beg leave to petition the Parliament of Ontario as follows:

We protest the government's restraint program for health care. The quality of health in Ontario is now threatened by deterioration of services in hospitals and associated agencies. We request that northern Ontario be recognized as a unique region. We pay the same premiums as residents in the south, yet do not receive the same services. In this respect, we insist the air ambulance services be reinstated for nonemergency referrals and greater assistance be given to specialists locating in isolated communities. We oppose the extra fees being charged to chronic and other patients. We already pay a lot in taxes and we insist the government act to provide needed hospitals and health services and to ensure that every one has full health-insurance coverage.

This is in addition to the previous petition I submitted on behalf of the residents in northern Ontario. There are 294 names bringing the total to 8,605.

I call on the minister now to have OHIP cover nonemergency referrals to southern Ontario.

REPORTS

STANDING GENERAL GOVERNMENT COMMITTEE

Mr. McCaffrey from the standing general government committee presented the following report including therein a report of the commissioners of estate bills and moved its adoption.

Your committee begs to report the following bill with certain amendments, section 5 thereof having favourably been reported by the commissioners of estate bills:

Pr25, An Act respecting the City of London.

Report adopted.

[3:15]

STANDING RESOURCES DEVELOPMENT COMMITTEE

Mr. Villeneuve from the standing resources development committee reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Labour be granted to Her Majesty for the fiscal year ending March 31, 1980:

Ministry administration program, $8,014,300; industrial relations program, $2,956,000; women's program, $653,000; occupational health and safety program, $20,429,300; employment standards program, $3,074,000; Ontario manpower co-ordinating committee program, $251,000; human rights commission program, $1,862,000; labour relations board program, $2,413,000.

STANDING ADMINISTRATION OF JUSTICE COMMITTEE

Mr. Philip from the standing administration of justice committee presented the following report and moved its adoption:

Your committee recommends that the fees less the actual cost of printing be remitted on Bill Pr3, An Act respecting Young People's Theatre.

Report adopted.

STANDING ADMINISTRATION OF JUSTICE COMMITTEE

Mr. Philip from the standing administration of justice committee presented the following report and moved its adoption:

Your committee recommends that Bill 19, An Act to amalgamate the Ministry of Colleges and Universities and the Ministry of Education be not reported and that the Minister of Colleges and Universities and the Minister of Education reintroduce the bill with a preamble thereto.

Report adopted.

MOTIONS

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that tomorrow, Thursday, December 20, the House meet at 10 a.m. with the routine proceedings to be called at 10 a.m. and a luncheon interval from 1 p.m. to 2 p.m.

Motion agreed to.

COMMITTEE MEETINGS

Hon. Mr. Wells moved that the select committee on Ontario Hydro affairs be authorized to travel to Thunder Bay and Atikokan, Ontario, and Whiteshell, Manitoba, in the period from January 15 to January 17, 1980, for purposes related to the committee's terms of reference respecting environment impact and health considerations related to nuclear power.

Motion agreed to.

COMMITTEE REPORTS

Hon. Mr. Wells moved that all the government orders for resuming adjourned debates on motions for adopting reports from committees, except for the June 21 report of the standing resources development committee, and the November 1 report of the standing members' services committee, be placed on the Order Paper on the second sessional day of the fourth session of the 31st Parliament.

Ms. Gigantes: Mr. Speaker, I'd like to speak to the motion, if I may. I'd like to point out to you that among the reports which will be put forward for the new session is the interim report of the select committee on Ontario Hydro affairs, concerning our work on reactor safety during the summer of this past year. I find it ironic that at this time we're on a motion from the government, apparently supported by the Liberal House leader and the Liberal Party, putting off debate on this report.

I'd like to inform you, Mr. Speaker, because you wouldn't know unless you're one of those inveterate readers of the select committee transcripts—and not many people are—that during the month of November, when we were considering the interim re-

port of the select committee on Ontario Hydro on reactor safety, we in this party put forward a very strong recommendation to our colleagues on the committee that the report not be presented to the House at this time. The committee's work involved in reactor safety was not complete and there were matters which had arisen from material tabled before our committee which had not been dealt with by the committee during its summer sessions and there were new matters which had been raised with us and brought to our attention, which must be considered before an interim report could be made of any substance. We had agreed on it, Mr. Speaker, members of the committee agreed that we would not make a report. Among the members agreeing with that was the member for Halton-Burlington (Mr. J. Reed), and as far as I know the member for Renfrew North (Mr. Conway) was present at that time.

We had complete agreement on the committee that we were not going to have a report; because there were still matters outstanding we would continue our work in January and February of 1980; we would present what we felt was a substantial and, as far as we could, complete report after that period of work.

Then the procedure got changed around by the entry of the member for Brant-Oxford-Norfolk (Mr. Nixon), a little late, into our meeting. I'm sure the member will recall how he arrived during our meeting, discovered that we were in the process of deciding that we would review our work up to that point but not submit an interim report to this Legislature and he decided that was not good enough for him.

As I recollect, at that point the member for Halton-Burlington left the committee. As he had been in agreement with our procedure, I think that that may have been part of his motivation for leaving the room at that stage. The member for Brant-Oxford-Norfolk continued, in his hardheaded, hardnosed and determined way, to encourage the Conservative members of the committee to the point where the member for York West (Mr. Leluk) put forward a motion that in fact we should have an interim report.

At that stage, my colleague the member for Port Arthur (Mr. Foulds) suggested to committee members that this was not an adequate procedure for our committee, considering the significance of the work in which we were engaged. I'd like to read to you, Mr. Speaker, if I may just for a few seconds, what the member for Port Arthur said at that time because I think it's rather important. He said: "I would just point out to the committee the dangers of that motion." This was the motion by the member for York West to proceed with an interim report. "If you put your signature to this report in this shape, without even having gone through the thing, the committee not even having discussed the introduction, page three . . . "—and it goes on—" . . . you are willing to sign the report and submit it to the Legislature, that means sitting once a week from now through the next six weeks and we still won't get it done before the end of December."

Here we are at the end of this session and I think the fears of the member for Port Arthur are fully borne out by what has happened. We went through the farcical procedure, nudged on by a strange combination of Liberal and Conservative members on that committee, of preparing an interim report which it is now obviously not important we discuss before this Legislature rises for the Christmas season.

As a matter of fact I have to support the motion from the House leader of the Conservative Party because I believe the report is not complete enough to be worth discussing in this Legislature at this stage. Therefore, along with my colleagues from the NDP on the select committee and my colleagues here in this House, I will support the motion of the House leader. I thought you should know those facts though, Mr. Speaker.

Mr. Nixon: I really appreciate the compliments extended to me by the honourable member who has just spoken. I had no way of realizing that I could sway the views of the majority of the committee so effectively.

My colleague the member for Halton-Burlington is not here to defend himself against the imputations of the reasons why he left the room on that particular occasion, but I do well remember that after the NDP did not seem to agree with the views expressed by the member for Port Arthur as fully as he wished, that he stormed out in high dudgeon, only to return rather meekly a few minutes later when he reconsidered his position.

Mind you, those comments, Mr. Speaker, are as irrelevant as those that preceded them from the previous speaker.

I do want to say to you, Mr. Speaker, that you will recall immediately following the news of the Three Mile Island nuclear accident all members of this House, properly expressing their concern, added to the terms of reference of the select committee on Hydro affairs an immedate investigation into the safety of our atomic reactors in this province.

Certainly I favoured that, and all members, without equivocation, felt that the committee should set aside all other business and use the undoubted facilities and expertise available to us, through our counsel and other people, to determine whether in our view our atomic reactors are safe.

We worked diligently and hard. We had many arguments about this. I don't want to draw conclusions that perhaps are not fair but, frankly, after careful consideration and endless arguments after hearing views from the Atomic Energy Control Board and others who were nonprofessional but extremely well-versed private citizens, we came to the conclusion, which really was fairly well-founded, that the reactors were acceptably safe. This is the burden of the report.

Having heard the members of the NDP who took part in these discussions for these many weeks, I was surprised to see when the report was published that the NDP had presented a dissenting view, signed by the chairman who certainly had expressed no dissenting view, nor had other members expressed a dissenting view, that the reactors are not acceptably safe.

It is quite appropriate for them to hold those views, but since they didn't form a part of the coherent discussions in the committee, I personally didn't feel the House should be thrown into a kind of a debate, such as would be required by the report before us, with this sudden dissenting view that came out of the blue and which must have come from a very hardnosed and determined member of the NDP delegation to that committee.

I don't know who it could be. But someone who was quoted in the Ottawa papers as saying she had given up trying to convince the members of the Legislature and, apparently, her own colleagues of the importance of this matter, obviously, was successful in convincing them. Whether or not they agreed with her, that we are all going to be blown to hell in a flash some time in the near future, or whether they agreed with her political connotation of the matter, I am not prepared to say. All I know is that the usefulness of the report has been practically nullified by such dissent.

I was particularly concerned that the chairman of the committee, who is not present, though I wish he were, particularly since he was so keen that the report be debated—I have a feeling that that keenness was probably dictated as well—he undertook to have himself interviewed on CBC on whether nuclear reactors are not acceptably safe. I felt that that was improper for him as the chairman of the committee. It was quite proper for the energy critic of the NDP to do so. I felt that the chairman of the committee, in doing so, had to a great extent nullified his usefulness as chairman.

I apologize in no way for discussing with my colleagues in the Liberal Party and informing the House leader of the government and the House leader of the NDP that we felt to take a day, or as long as it would require, to debate the report in its present form would now not serve a useful purpose. I would say I believe that because of the irrational dissent put forward by the NDP.

Mr. Williams: Mr. Speaker, I wish to rise to support the views expressed this afternoon by the senior member of the Liberal caucus in the committee.

I think it was imperative that the report we have tabled before us was presented at the time it was. As the member has pointed out, since the events of the Three Mile Island incident the people of Ontario have been, to say the least, most apprehensive and concerned not only about the total ramifications of that incident but whether the nuclear component in this province had any similarities to, or any superiorty over, the type of reactors that are operating in the United States, of which the Three Mile Island reactor is one.

[3:30]

There was a great deal of apprehension expressed in the news media. As a consequence thereof, I think it was imperative and a priority responsibility of this Legislature that we made known to the people of Ontario in an official capacity that the reactors operating in this province under the supervision of Ontario Hydro and Atomic Energy of Canada Limited are acceptably safe. I think it would have been totally irresponsible for this committee to have continued without making any official statement whatsoever more than six months after the event; it would have been totally irresponsible to keep the people wondering how safe the system was in Ontario.

The debating of the report is secondary, I suggest, to the important consideration that a formal official report was tabled so the people of Ontario could rest easier and be more certain that we do have an acceptably safe nuclear power program in this province.

I also must comment on what I consider to be a highly irregular feature of the report in that the chairman has seen fit to sign a dissenting report. I won't comment further

on the fact that he has seen fit to make public statements that have been something less than neutral, as would normally be the position taken by a chairman of a committee.

I think the member for Brant-Oxford-Norfolk has made the point well and it doesn't need to be reiterated. I do support the views he has expressed here this afternoon.

It is regrettable that we did not have the opportunity to debate the interim report in the House before the session was concluded. I was looking forward to participating in that debate. That is not to say that a most useful purpose has not been served by the tabling of the report. It was important and imperative that an interim report was tabled in the House, and—

Mr. Speaker: It is really very difficult to discern whether the member is debating the motion or the report itself.

Mr. Williams: Mr. Speaker, I am using no more latitude than the members on the opposite side of the House used in discussing this matter, if I may say so.

I might conclude by stating that the member for Brant-Oxford-Norfolk, by entering into the discussions that day, did indeed do a service—not only to the members of the committee, but to the people of the province as a whole—by probably turning the thinking around to the point where the importance of an official report being presented to the House at the earliest opportunity was realized.

For that reason, I am pleased the interim report was tabled. I look forward to participating in the debate on the report in the spring, but I think the most important consideration was that an interim report was prepared and tabled in this House.

Mr. Foulds: I want to speak to the motion because my name has been taken in vain in previous discussion.

Mr. Eaton: Tell us why you blew up in the committee that day.

Mr. Foulds: Yes, I think I will take time to discuss that. I would like to speak to the motion rather than to the report. It is important that the motion pass, because I do think it is important for this Legislature to debate at some point, the findings of the select committee on Ontario Hydro affairs as it affects nuclear reactor safety in this province.

I want to make a couple of remarks about what has been said previously. It is true that on the day that has been cited, I did storm out of the committee in some anger. I must confess that once every five or six years I do lose my temper. When that happens, it is much more productive for me to absent myself from the discussions going on than to engage in them in what might be a non-productive way. So I went out for a few brisk turns around the circle in Queen's Park.

On a point of privilege, in response to the member for Brant-Oxford-Norfolk, I returned because the work of the committee is important and even in the botched kind of way he tried to force through the work of the committee it is important to try to get as good a balance in the committee as possible. It is obvious that when you have an alliance between the member for Brant-Oxford-Norfolk and the member for Oriole, the committee needs some balance.

The dissenting report referred to previously in this debate, which I signed, did not say—and I wish the members would understand the importance of language if they don't understand the importance of signing their names to a report—did not say the reactors in Ontario were unsafe.

What we said was we did not yet have enough information to make a firm declaration they were "acceptably safe." In other words, we had additional information we had not considered which we felt we should consider and for other reasons we felt we could not make the categorical statement the members for Oriole and Brant-Oxford-Norfolk wanted to make, for reasons I know not, that they are safe. In other words, they wanted to rush through a judgement by the committee to get that concept firmly embedded in the minds of the public of Ontario. That does a disservice to the people of Ontario.

I want to use the title of an article about the British nuclear system in a magazine called the New Statesman. What we can say about the reactors in Ontario is that so far we have had no accidents, no serious accidents, that have resulted in large-scale devastation or death. The title of the article in the New Statesman was, "So Far We Have Been Lucky."

Mr. Speaker: You are really straying from the motions.

Mr. Foulds: —"So Far, So Good."

Mr. Speaker: You are even off the continent now.

Mr. Foulds: One last comment. The chairman of the committee has not been here to defend himself, but anyone who knows the chairman of the select committee on Hydro affairs knows two things. First of all, he is a man of complete independence who will not be dictated to by any member of the com-

mittee, whether it is the member for Carleton East, the member for Brant-Oxford-Norfolk, or the member for Oriole. No member of this assembly should make such accusations about the member for York South. The second thing about the member for York South is that he has, in his long and honest and honourable parliamentary career, held many strong opinions, but in his role as chairman of the committee he has never been less than objective. I challenge any member of this assembly or of that committee to say the chairman of the committee has been less than objective in conducting the affairs of that committee.

It does not seem to me that just because a man accepts the responsibility of chairmanship that makes him a eunuch and that is what the member for Brant-Oxford-Norfolk and the member for Oriole are complaining about. Because the member for York South had the courage to say what he believes they object, because he is the chairman of the committee. They do themselves, the member for York South, this Legislature and the committee a disservice when they do that.

Report adopted.

AGGREGATES ACT

Hon. Mr. Wells moved that the standing resources development committee be authorized to sit during the interval between sessions to consider Bill 127, An Act to revise the Pits and Quarries Control Act, 1971, and that not withstanding the prorogation of the House, Bill 127 remain referred to this committee for clause-by-clause examination and upon commencement of the fourth session of the 31st Parliament the bill shall be deemed to have been introduced and read the first time, be deemed to have been read a second time, and referred to the standing resources development committee.

Motion agreed to.

OCCUPIERS' LIABILITY ACT; TRESPASS TO PROPERTY ACT

Hon. Mr. Wells moved that notwithstanding the prorogation of the House, Bill 202, An Act respecting Occupiers' Liability, and Bill 203, An Act to Protect against Trespass to Property remain referred to the standing resources development committee for clause-by-clause examination and upon commencement of the fourth session of the 31st Parliament, the bills shall be deemed to have been introduced and read the first time, be deemed to have been read a second time and referred to the standing resources development committee.

Motion agreed to.

EMPLOYMENT STANDARDS AMENDMENT ACT

Hon. Mr. Wells moved that the standing general government committee be authorized to sit during the interval between the sessions to consider Bill 3, An Act to amend the Employment Standards Act, 1974, and that the committee be authorized, notwithstanding any practice or order of the House, to report its observations and deliberations on the bill or the subject matter of the bill, and that notwithstanding the prorogation of the House, Bill 3 remain referred to this committee for clause-by-clause examination, and upon commencement of the fourth session of the 31st Parliament, the bill shall be deemed to have been introduced and read the first time, be deemed to have been read a second time and referred to the standing general government committee.

Motion agreed to.

COMMITTEE MEETINGS

Hon. Mr. Wells moved the following standing committees be continued and authorized to sit during the interval between the sessions:

Standing general government committee to consider Bill 3; standing resources development committee to consider Bill 127, Bill 202 and Bill 203 and the annual report of the Minister of Natural Resources for the fiscal year ending March 31, 1979; standing public accounts committee to consider the report of the provincial auditor, the sittings of the committee to take place during the month of February 1980; standing members' services committee to examine the operation of constituency offices as approved by the Board of Internal Economy, the sittings of the committee to take place during the month of February 1980.

Motion agreed to.

INTRODUCTION OF BILLS

FARM PRODUCTS MARKETING AMENDMENT ACT

Mr. Riddell moved first reading of Bill 208, An Act to amend the Farm Products Marketing Act.

Motion agreed to.

Mr. Riddell: Mr. Speaker, the purpose of the bill is to prohibit unfair practices in the marketing of farm products in Ontario. These unfair practices include the arrangement of price advantages in the form of rebate, discounts or allowances between some sellers of a farm product and some buyers of a farm product to the exclusion of other buyers

and sellers of the same product. The effect of these practices is to work hardships upon the buyers and sellers who are excluded from these arrangements and eventually to reduce the level of competition in the market for the farm product.

Provision is made in the bill for orders of compliance, assurances of voluntary compliance and enforcement of orders and assurances.

Mr. Speaker, I had Mr. McGuigan second the motion as he is a man who has a great deal of knowledge and experience in the area of production. He was one of the few farmers who had the intestinal fortitude to appear before the resources development committee and he certainly had a great deal of input into the consultation leading up to this legislation.

Mr. Speaker: I am sure the member and his colleagues will have an opportunity to say that during second reading.

WORKMEN'S COMPENSATION AMENDMENT ACT

Hon. Mr. Elgie moved first reading of Bill 209, An Act to amend the Workmen's Compensation Act.

Motion agreed to.

Hon. Mr. Elgie: Mr. Speaker, with your indulgence I have some remarks to make about this bill and about a paper I would like to table with the Legislature.

Over the past few months it has become apparent from the ongoing review and study of workmen's compensation—

Mr. Speaker: How long is that? That should have been done by way of a ministerial statement.

Hon. Mr. Elgie: My apologies, sir. Do I have permission of the House to do it now?

Mr. Speaker: Proceed.

[3:45]

Mr. McClellan: Just this once.

Hon. Mr. Elgie: Just this once; just this session. We've got the rules of the game straight anyway.

Over the past few months it has become apparent, from the ongoing review and studies of workmen's compensation taking place not only in this province but elsewhere, that major changes in the present system should be considered. In order that all aspects of possible changes could be considered, I instructed the Ontario Workmen's Compensation Board to prepare a paper for distribution to interested parties, a copy of which I am tabling today.

I am also establishing a committee which will accept written submissions from interested parties with respect to the proposals and the committee would be prepared to receive other options or suggestions for change. I shall be announcing the precise terms of reference of the committee, its composition and the expected date of its report early in the new year.

Keeping in mind the long-term proposals, I am also introducing an amending act which will provide immediate changes in many important areas.

1. An increase in the ceiling on earnings, from $16,200 to $18,500, effective July 1, 1979. This means that the maximum weekly rate of compensation payable will increase from $233.66 to $266.83.

2. Recognizing the need of injured workers who have received temporary disability benefits for prolonged periods, an amendment is included which increases their benefits by a factor of 10 per cent after they have received temporary disability benefits for 12 consecutive months.

To give full effect to the $16,200 ceiling which was introduced on July 1, 1978, and to recognize the full change in the cost of living index, I am recommending that the sections previously affected by the six per cent figure be adjusted upward to a figure of eight per cent as of July 1, 1978.

This will affect the following areas: (a) The minimum for temporary disability will be adjusted to $117 per week; (b) pensions awarded for accidents occurring on or before December 31, 1977, will be increased to an adjusted figure of eight per cent, and to recognize accidents occurring during the period from December 31, 1977, to June 30, 1978, a factor of eight per cent will be added to pensions arising out of those accidents; (c) permanent total-disability pensions will be increased to $519 per month and permanent partial-disability pensions will be raised proportionately; (d) pensions for dependent spouses will be increased to $372 per month. (e) pensions for dependent children will be increased to $101 per month; (f) orphans' pensions will be increased to $115 per month.

4. Disability pensions awarded for accidents occurring prior to June 30, 1979, will be increased by a factor of 10 per cent effective July 1, 1979.

5. Permanent total disability pensions will be increased to $571 per month, effective July 1, 1979. Permanent partial disability pensions will be raised proportionately on the same effective date.

6. Pensions for dependent spouses will be increased to $410, effective July 1, 1979.

7. Pensions for dependent children will be increased to $112 per month, effective July 1, 1979.

8. Orphans' pensions will be increased to $127 per month, effective July 1, 1979.

9. Pensions for dependents other than spouses and children will also be increased proportionately to those increases granted to dependent spouses.

10. The minimum for temporary disability will be increased to $129 per week, effective July 1, 1979. This means that on or after that date those workers earning $172 or less per week will receive the minimum of $129 per week and all workers earning $129 or less will receive tax-free compensation equal to their full earnings. This will include part-time workers.

11. The burial allowance will be increased from $800 to $1,000 for deaths occurring on or after July 1, 1979.

12. The initial lump-sum payment to a dependent spouse will also be increased from $800 to $1,000 on the same basis.

13. Clothing allowances will be increased from $219 per annum to $240 per annum with respect to lower-limb protheses and back braces for permanent disability, and from $110 to $120 with respect to upper-limb protheses.

The changes recommended are intended to provide more equitable levels of compensation pending receipt of the further report which has been requested. The cost of the recommended changes is substantial, having a total capitalized value of $120 million for existing pensions and $75 million in respect of future awards and existing claims. I therefore seek support for the amending act and the proposals put forward.

CITIZENS' COMPLAINTS PROCEDURE ACT

Mr. Warner moved first reading of Bill 210, An Act to provide a Procedure for Reviewing Citizens' Complaints concerning Police Conduct in the Municipality of Metropolitan Toronto.

Motion agreed to.

Mr. Warner: Mr. Speaker, the purpose of the bill is to provide a procedure for reviewing citizens' complaints concerning police conduct in the municipality of Metropolitan Toronto. The bill places every police officer under a duty to exercise his authority as a police officer in a manner consistent with the diligent performance of his duty and respectful of the rights, liberties, inherent dignity and reputation of every citizen. Complaints concerning police conduct are to be dealt with by a registrar of citizens' complaints and the citizens' complaints tribunal appointed by the council of the municipality of Metropolitan Toronto. The bill provides for mediation concerning a dispute or for the hearing of a complaint by the citizens' complaints tribunal. After holding a hearing under the act, the tribunal will report its findings to the police chief, the Metropolitan board of commissioners of police and the Metropolitan council.

LEGISLATIVE PAGES

Mr. Speaker: Before the orders of the day it's customary, when we have a group of pages leaving us, for us to express our appreciation. One of the ways in which we do that is to have their names and their ridings read into the record. They are as follows:

Leigh Bates, of Hastings-Peterborough; Ray Boehm, of Waterloo North; Sean Bredt, of Don Mills; Peggy Breen, of Scarborough West; Gregory Brown, of Quinte; Eleanor Cassón, of York Mills; Suzanne Coles, of Etobicoke; Colette Coughlin, of Windsor-Riverside; Michael Gollob, of Oriole; Natalie Horlatsch, of High Park-Swansea; Jennifer Hurtubise, of Erie; Alexander Leslie, of Algoma; Peter Maclean, of Northumberland; Troy Manary, of Huron-Bruce; Craig Martel, of Sudbury East; Patricia McCarthy, of York West; Kevin Rizun, of Hamilton East; Trevor Robertson, of St. Andrew-St. Patrick; Cathy Schick, of Mississauga East; Patricia Sherson, of Grey; Al Strathdee, of Perth; Ryerson Symons, of Peterborough; and Cynthia Vanbodegom, of Simcoe Centre.

Will you join me in thanking them for their service here?

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 386, 395, 397 and 398 standing on the Notice Paper. (See appendix, page 5777.)

ORDERS OF THE DAY

THIRD READING

The following bill was given third reading on motion:

Bill 204, An Act to amend the Labour Relations Act.

CITY OF LONDON ACT

Mr. Van Horne moved second reading of Bill Pr25, An Act respecting the City of London.

Third reading also agreed to on motion.

CONCURRENCE IN SUPPLY

MINISTRY OF THE SOLICITOR GENERAL

Mr. Kerrio: Mr. Speaker, we were somewhat limited in the estimates of this particular ministry as a fair amount of time was used up in a particular and very worthwhile discussion related to the Boise Cascade involvement. Notwithstanding that, I want to get on the record a couple of concerns that I would have liked to have put in place at that time but was not able to.

I have a concern in two areas that I would like to relate to the minister in these concurrences. I would like him to deal with them as he sees fit and perhaps at some future date to respond in a way that is going to deal with the problems.

The two problems specifically are arson and vandalism. It doesn't come to mind exactly when I raised the question, but we had a particularly serious rash of arson-related incidents in Niagara. From time to time, it seemed to take on proportions that were way beyond what could be expected as reasonable numbers.

In following that up, we got some statistical information from the intelligence officer in the office of the fire marshal. In response to invitations from local fire departments throughout the province to investigate fires that the local departments suspect to be of an incendiary nature, he indicated such requests are often turned down due to lack of personnel qualified to conduct such investigations.

The investigative techniques used to determine the fire's cause are becoming more and more sophisticated and, to some extent, may account for the very difficult time the ministry has in sending these kind of people to investigate incendiary fires.

It seems there has been a great change in the type of incendiary fire over the last few years. Where arson for profit used to be the major motivation, in the past few years it seems that vandalism has become the major cause of arson. There seems to be a major increase in incendiary fires in that particular area.

While in other jurisdictions they are combating this problem with awareness programs and seminars, it seems we have to address ourselves to the problem when we view the numbers. In 1965, approximately two per cent of the fires were deliberately set, and by 1977 that had risen to 16 to 17 per cent. The honourable members can see the reason I was so concerned in my attempts to get this on the record. I'm sure the minister is aware of these figures.

[4:00]

It's always difficult to address ourselves to increased commitments in various areas in the light of increases in cost to the ministry. The numbers speak for themselves. I'm not going to try to put on the record the research that I had done. It's somewhat of a disappointment to me that we took the time to do the research, but it doesn't seem appropriate to go in depth into these two issues. I hope I have put my message across in that particular matter.

The other area of concern in many municipalities, which I had hoped to get into in some more depth, is vandalism. It's another area in which we had given notice that we were going to go into in depth, but I don't think we can because of time considerations. In passing, it seems the figures there are also astronomical. I hesitate to project what they might have been if local school boards right across the province hadn't put in mechanisms of their own relating to burglar systems, increasing of night watchmen and such efforts as they could make because of substantial increases, not only in insurance premiums, but in the deductibles allowed because of the huge losses.

As I say, there are many other areas I would like to have dealt with in some kind of depth, but we are somewhat restricted. I don't think this is the time or the place to go into them in concurrences, but I wanted to get those two matters of concern on the record. I'm hopeful the minister will address himself to these two serious problems and share with us now or in the future what his proposals might be relating to these two concerns I have.

Mr. Lupusella: Mr. Speaker, I'm pleased to rise to give a synopsis of the Solicitor General's estimates. We had an opportunity to speak about particular issues during the course of the estimates, but I would like to raise in a relatively short period of time some of my concerns in relation to policing and certain issues which have been raised during the course of estimates or during question period in this House.

I want to stress the concerns raised by members on this side of the House in relation to the roles of the Solicitor General and the Attorney General. It seems we have clear evidence that concern exists on the floor of this House, not just from the New Democratic Party, but also from members of the Liberal Party. We conveyed such concern to the Solicitor General during the course of his estimates.

I hope the Solicitor General will take this issue seriously and will convey this concern to the Premier in order that concrete action will be taken to correct this situation in relation to the conflict of interest which exists between the role of the Solicitor General and that of the Attorney General by holding the same portfolio.

During the course of the estimates, I raised this concern. It's time the Solicitor General understands that by holding the two portfolios he won't have so much time available to look after all the issues which affect one or the other portfolio.

By talking about the Solicitor General, I express my particular concern that we don't need a part-time minister in Ontario, especially when we are dealing with the $174-million budget he has to look after.

It's time the Solicitor General takes this task seriously. He has a lot of issues which he has to look after, and we don't need inaction coming from his ministry. We need comprehensive and legislative action to cover the loopholes which exist in our system and are affecting citizens of this province as well. It's no time to gamble on this amount of money, $174 million. Because of major concerns expressed by the Solicitor General during consideration of his estimates, we need a full-time minister to look after those concerns as soon as possible.

Also during the estimates, I raised the issue of racism in Metropolitan Toronto. It's a vivid and strong issue that must be dealt with as soon as possible. I realize the Solicitor General has been undertaking studies to solve certain problems affecting ethnic communities in Metropolitan Toronto, and I have to convey my dismay to the introduction of the citizens' complaints bill by emphasizing the fact that police complaints are supposed to be investigated by the police.

By introducing this legislation, I don't think such a bill is going to relieve the apprehension that exists among the ethnic communities in Metropolitan Toronto. I don't think the new bureaucratic process being set up as a result of this bill is going to solve the concrete problems which the ethnic communities are suffering from.

I'm urging the Solicitor General to revise, in some way, the contents of the bill he introduced in this Legislature. I am aware that such a bill is going to be sent to a committee of the Legislature but, by doing so, I hope the Solicitor General is going to keep his mind open to be flexible enough that the needs and concerns of the interested groups concerned about these problems are going to be incorporated, not just within the principle of the bill, but also within the sections of the bill as well.

I would like to raise the issue of the Cardinal Carter report. The report has been appraised and, when presented to the Ontario Police Commission, it seems that members of the commission were quite happy about the contents and the spirit of the report to alleviate the racial apprehension created as a result of the concrete confrontation between ethnic people and the police force in Metropolitan Toronto.

I would like to emphasize what has been done so far in relation to the report presented by Cardinal Carter. By emphasizing that again, I would like to express my particular concern that the Ontario Police Commission has at no time taken seriously the particular task of implementing the recommendations.

In particular, I would like to give a synopsis of what has been done, and I am sure the Solicitor General is keeping an eye on the whole process. For example, only four recommendations of the Carter report have been implemented to date. The police commission has established a committee with minority groups under Etobicoke Mayor Dennis Flynn. The Metro Toronto police chief, Harold Adamson, has ordered officers to avoid verbal insults to any citizen or face dismissal. The Metropolitan Toronto Police Association president has agreed to provide closer editorial supervision of the News and Views, an unofficial police publication that has printed racist remarks in the past. All six Metro school boards have instituted programs of different intensity to combat racism in the schools. The six other recommendations are under study.

Again, if the report has been overwhelmingly accepted by the Ontario Police Commission and by interested groups here in Metropolitan Toronto, I guess it is understandable enough that some sort of speed is going to take place in relation to the general concerns that have been expressed through the contents of Cardinal Carter's report.

The bill introduced in the Ontario Legislature on Wednesday proposes a three-year pilot project and a civil review procedure for complaints against police. In relation to that I don't want to miss in some way the particular concern I have raised in previous estimates, that one of the major problems affecting the citizens of this province when they are in contact with the police officers is the behaviour of police officers.

I guess a lot of problems can be eliminated and completely excluded if the police

in some way are going to change their behaviour when they are dealing with or when they are in touch with the public as a whole. In the past I have said that the Ontario Police College should play an important role by making sure that such behaviour is going to change to ensure that relationships between police officers and the public are going to greatly improve in the future.

One thing should be said to the Solicitor General. There is no structure that can be effectively implemented in Ontario if the police behaviour won't change. Again, I don't want to accuse all the police forces about their behaviour. There are bad apples, as the Solicitor General and other members have said, in the past and at the present time. But it is the bad apples with the police forces that are causing the problems, and sometimes really serious problems.

It is foolish in a way that the public has been waiting for the citizens' complaints bill, and here we are confronted again with the same issue, that the police force has to investigate the complaint first and then other components are going to look after the citizenss' complaints.

[4:15]

The attitude expressed by the Solicitor General through the presentation of this bill urges us to present a bill in the Legislature dealing with this issue. We know there is a growing concern in our society about this bill. Dismissal of the main issue, that investigation should be independent and should be seen to be independent, is again incorporated through a bill which won't solve the problem at all.

I don't understand why Metropolitan Toronto is faced with this concern. I remember during the course of the Solicitor General's estimates there was talk about police forces and the Ontario Provincial Police being used as strikebreakers in Ontario, and the Solicitor General was clear in stating that the OPP are not used as strikebreakers in Ontario. But when someone—I don't remember who—raised the issue about regional police officers, the Solicitor General said, "I don't know anything about that." I can't quote the Solicitor General exactly, but the main concept he expressed was that the OPP is not used; there is a possibility that police officers belonging to regional police forces are used, although he was not aware of it.

Hon. Mr. McMurtry: No, that is not what was said. Perhaps the honourable member misunderstood what was said, but we certainly didn't say that.

Mr. Lupusella: The minister said he was not aware of police officers belonging to municipalities, or something to that effect.

Hon. Mr. McMurtry: I certainly have no information of that nature.

Mr. Lupusella: I agree with the minister. I was trying to state the general principle.

The point is that the Ontario Police Commission in some way falls under the jurisdiction of the Solicitor General. The province appoints members to the police commission, and the police commission in turn has full responsibility to report to the Solicitor General all the activities which take place in the regional municipalities. I am sure the Solicitor General should be aware of and should make an attempt to clear up situations like the racial tensions which have developed in Metropolitan Toronto, by making sure the Ontario Police Commission in some way introduces new methods to solve these local problems.

The reason I am saying that is to emphasize two things: Either the members sitting on the Ontario Police Commission do not have a clear and concrete perspective of what is going on in Metropolitan Toronto or they are not interested in solving the problem. My assumption in making this allegation is that there are other municipalities more concerned about local problems, in particular those relating to the general makeup of the ethnic people living in certain municipalities.

As an example I would like to report to the Solicitor General what is happening in Windsor. That municipality has always been concerned about the problems affecting ethnic communities. The police commission in Windsor has been studying, for I don't know how many years, the makeup of their society by taking into consideration the needs of the ethnic communities as well as of the general populace.

Just a few days ago, for example, I was going through clippings of newspapers, and I was able to find one dated November 24, 1979, from Windsor Star. I want to point out that in Windsor, after 125 years of erratic growth and occasional social turmoil, racial attacks on individuals, or examples of racial discrimination in the work place in Windsor, have been few and far between in recent years—at least those incidents that reach the courts or draw headlines.

What have they been doing to solve this particular problem? This comparatively benign situation—and I am just quoting from this article, Mr. Speaker—can be attributed in part to those agencies preparing to defuse problems before they arise—groups and indi-

viduals dedicated to preventing the rash of problems that Toronto and other Canadian centres have experienced recently.

For example, the Windsor police department includes studies on ethnic attitudes and sensitivities in its annual training program and refresher courses, and is preparing to participate in seminars with new arrivals next year. This is a concrete action, a concrete interest, from the Windsor police department, to try to take into consideration the special lifestyles expressed by different ethnic communities living in that particular area.

If they have been doing that for years, I don't understand why the Ontario Police Commission is not trying to incorporate or implement concrete studies which defuse this overwhelming problem affecting lots of ethnic people living here in Metropolitan Toronto.

"Windsor now"—just continuing the quote from that article—"has become a byword around the world for its harmonious environment. Windsor can be a mean city right now. It is a mean city because the old economic anxieties are here again."

The recent problems in Toronto between police and black immigrants—violent, sometimes fatal, confrontations—have led to investigation by Gerald Emmett Cardinal Carter of the treatment of racial minorities in that city. Other Canadian centres are examining their own attitudes to new arrivals. The police department here has attempted to stay ahead of potential problems by training its personnel to better understand foreign customs and attitudes.

We have actively sought to recruit from among the ethnic communities in this city. Just two weeks ago, I received a few phone calls at my office from some people belonging to the ethnic community who had applied to the Ontario Police Commission to become police officers; it seems their applications have been turned down. I don't know the reason. It seems the Ontario Police Commission has said it would be open to the public. But applicants are receiving a simple letter thanking them for their interest in becoming a police officer, but saying their application has not been accepted. I would like to know what is the matter. What is going on when someone tries to apply? I am sure the Solicitor General is going to receive a few letters in relation to that. I hope he will be able to give me an explanation why ethnic people's applications have been turned down. Maybe there are reasons; I don't know, I am not aware of them. I would be interested to know why their applications have been turned down.

The police chief of Windsor stated it took some time before fully understanding that some immigrants enjoy standing on the street corners on a hot summer night and that such action does not indicate preparation for a riot. At least, Windsor has been prepared to take some concrete action, as I stated before, to understand the lifestyle of ethnic people. Sometimes the presence of police officers might create problems among the different ethnic communities.

Concluding this particular concern, the point I would like to raise is that the Cardinal Carter report was praised when it was introduced but to date it seems there is little action going on aside from the studies that are going to be completed—I don't know when. I hope the Solicitor General will see some sense of urgency in relation to these particular issues in order that those studies can be finalized as soon as possible.

I am sure the Solicitor General is aware that the citizens' complaints bureau also has been criticized in an editorial in the Toronto Star. By emphasizing the principle of that investigation or investigations which are to be conducted by the police force, they won't be seen by the public as being independent.

As I stated before, I am trying to be relatively brief, but I don't want to miss the opportunity to raise the issue of the Ontario Police College. The Ontario Police College at present is a waste of time and money, because the police officers are going there. I had the opportunity to visit such a centre a few years ago with the then Solicitor General, and it seems the prime objective of recruits' spending time there—before, it was 12 weeks, and now it has been extended to 15 weeks—is simply to do physical exercise and to learn how to shoot.

My prime concern is that the Ontario Police College should be the university of the police forces in the province. If we are going to revamp and restudy the programs that are conducted in 15 weeks, an overall study of what the Ontario Police College can be in the future would also be a good investment for the efficiency of the police officers. In turn, the police officers will show such efficiency in our society as well.

I hope the Solicitor General will take me seriously when I state that an overall study should start immediately to make sure the money currently spent at the Ontario Police College is worth it and the programs are of prime importance. I want to re-emphasize the principle that, as far as I am concerned, the way I sense and view the Ontario Police College is that it should be transformed into a place in which the recruits are going to

take full advantage of their training and not just be there and spend their time only in physical activities and training to shoot. We need more than that.

[4:30]

There has been a concern lately about increasing the number of OPP officers as a result of the carnage taking place on the highways. I share the Solicitor General's concerns. I share his prime objective to reduce fatal tragedies on the highways; so the only solution for him is to increase the number of OPPs.

I had the opportunity to go through the contents of a letter sent by the Premier to the member for Windsor-Riverside (Mr. Cooke), in relation to this issue. The Premier expressed just concern about this problem.

As a result of the restraint program, there is no way action will be taken to make sure some money is going to be allocated so the number of OPP officers will increase.

I can accept in general terms the Solicitor General's view. It might be true that, with more visibility on the highways, the number of fatal accidents will be reduced. I don't know. For me, it's just a dilemma. But I don't understand why the government is so persistent, as a result of the restraint program, not to share the concern of the Solicitor General.

The Premier, instead of following the route of increasing the numbers of OPP officers, wants new methods implemented to make sure such a decrease eventually will take place. I don't know if such a system of new methods is going to work. The OPP has been trying to experiment with new methods. Even the last one, eventually suggested by the Solicitor General, to increase the visibility of the OPP on the highways, I don't think that situation changed.

My last concern—I don't want to spend one hour expressing this concern to the Solicitor General—is that in the past I have been critical of police officers spending 75 per cent of their time in issuing traffic violation tickets.

The Solicitor General is aware that crime is increasing in Ontario. When I talk about crime, I am talking about serious crime as well. With the present system, the police officer has an obligation under the Police Act to make sure that any offender appears before the courts. There is no problem about this, but there is one thing which is so anachronistic. I want to share this concern with the Solicitor General.

When people are appearing before the courts for traffic violation tickets, when the judge is stating whether or not the offender wants to pay his fine or wants to go to jail, it seems the only position that is pursued is to make sure the offender is going to pay instead of going to jail.

The reason I emphasize this particular problem is that I received a letter from a constituent of mine who was inclined to go to jail instead of paying the ticket. Since his licence was suspended, there was no option open to the offender but to go to jail. I hope the Solicitor General in his capacity also as Attorney General is going to correct the situation, at least when the verdict is stated in court. Why is the judge asking the offender whether he wants to go to jail or to pay the ticket? At least, the option is open. If the final result is that the offender has to pay the ticket, why is the judge asking the question if he wants to go to jail? It's something which the Solicitor General should take a look at.

Serious crime is of great concern to our society. A survey has been taken lately asking the question of the public what its main concern was. They all answered that crime was the big problem. Even though I realize that OPP officers, in co-operation with municipal officers, are carrying out certain tasks to fight crime—and I am making particular reference to Operation Alpha, which has been a successful one—I would like to see Operation Beta and Operation Gamma. Eventually, I would like to see Operation Omega. I hope this type of co-operation is going to increase. I hope the Solicitor General is going to emphasize more the role of the police officer to combat crime instead of spending time on traffic violation tickets.

I hope the Solicitor General in the course of meetings with municipalities—and I am making particular reference to one which took place in Sudbury—expresses his particular concern about the time that is spent by police officers in court and outside to catch traffic violators and about the frustration they feel by going to court when offenders are not paying the tickets. We understand that. I don't want them to be on the streets.

I know the Solicitor General and I are concerned that the law enforcement process is taking place. As I stated before, the public is more concerned about serious crime and that something should be done. Realizing that 75 per cent of police work is spent on the streets just to issue tickets, I see something that is really anachronistic.

I also read articles that organized crime is a problem. The Solicitor General is aware that the figures show almost 1,000 people—I hope not all are in Ontario—almost 1,000 people who are involved in organized crime are living here in Canada. I don't know

what kind of activities they are performing, but I hope the Solicitor General is also emphasizing the need to solve this serious problem.

None the less, something else should be said about white-collar crime. Computer crime now is something to which we have to devote our time to make sure new techniques and new programs are going to be implemented to ensure that society is going to be protected.

The motto of the police force is "To serve and protect." If we are going to undertake the task of fighting serious crime in a very serious and concrete way, then I will be sure the public is getting in return the protection for which the public is looking.

I would like to conclude my statement to the Solicitor General by saying that I hope some of these concerns are going to be taken into consideration.

Mr. Foulds: Mr. Speaker, I have one brief item I want to raise on the concurrence.

First of all, I want to thank the member for Niagara Falls (Mr. Kerrio) and the member for St. George (Mrs. Campbell) for the courtesy they extended me during the debate on the estimates in committee, because I did take a considerable amount of time. I thought it was worthwhile, but I really appreciate the courtesy that the Liberal Solicitor General's critic extended in the committee.

I want to raise one item with the Solicitor General as it relates to the matter of search warrants which I raised during his estimates but involving a subsequent event. I know this is not a committee debate so we can't have questions back and forth.

I've been disturbed because for the last three or four days in northwestern Ontario there have been rumours—and I say categorically they are rumours; I have no substantiation on this but when I checked back with Thunder Bay today the rumours persisted—that 20 to 30 new search warrants have been issued through sworn information by the OPP involving individual homes in northwestern Ontario, either in connection with the dispute of lumber and sawmill workers and Boise Cascade Canada Limited or the so-called bombing threats or spite incidents.

Frankly, I hope such warrants have not been issued, certainly not in that blanket way where apparently 20 to 30 have been so issued. I would hope I could get from the Solicitor General the assurance that, if such warrants have been issued, they will not be used in the way the six warrants issued on October 5 were, to harass individuals and trade union members. That is a blatant misuse of a search warrant.

I want to get a categorical assurance from the Solicitor General that search warrants will not be used to harass either trade union members or the officers of a trade union who are engaged in a legitimate strike. I want to suggest to the Solicitor General that if the OPP are considering issuing further search warrants in connection with the incidents to which I refer, they had better be far more sure than they were the last time that they have substantial evidence before they go ransacking either through union offices or people's private homes.

[4:45]

I found the rumours disturbing. I state that they are only rumours as far as I know. I would like to know if the Solicitor General has been informed by the Ontario Provincial Police of their actions in this regard. I would like the Solicitor General to let the House know whether, as a matter of policy he is informed ahead of time when such action is contemplated by the OPP, particularly in a sensitive situation like this one.

Hon. Mr. McMurtry: Mr. Speaker, in so far as the member for Port Arthur (Mr. Foulds) is concerned, I'm not aware of these search warrants. I will certainly convey his concerns to the OPP. I think they will obviously be interested in the concerns of any member of the Legislature. I will be happy to do that.

There were a number of matters raised by the members opposite during this concurrence, much of which had been raised during the estimates, so I don't propose to deal with them in detail now. I'd simply like to say once again that their concerns have been noted.

I would like to express to the members opposite my appreciation for their contribution to the estimates process and to say, as I said to the Attorney General's critics this morning, that my door is always open. I'm always very happy to discuss these matters with the honourable members at any time. I think it comes with the duties of the Solicitor General which largely relate to effective and fair law enforcement. We all share the same desires and the same goals in that respect. I want to assure them I'll be happy to deal with these matters further at any time that is considered appropriate by them.

Resolution concurred in.

Resolution for supply for the following ministry was concurred in by the House:

Provincial Secretariat for Justice.

MINISTRY OF HEALTH

Mr. Ruston: Mr. Speaker, I want to draw the attention of the minister to something that is a continuing problem in my own area and maybe in many other areas. Brought to my attention quite often is the problem of finding nursing-home beds for people discharged from hospitals on the recommendation of their doctor or the doctors in the hospital, if they're assigned to a certain division of a hospital.

What we're finding in some cases is we're removing people from hospitals and putting them in lodging homes that are not equipped for nursing-home care, although these patients have already had approval given for nursing-home care. I want to draw that to the attention of the minister. I know he has been waiting and has had some recommendations about nursing home beds in Essex county and the city of Windsor. However, I want to draw that to his attention today. It's a recurring problem and I think it's getting worse. I would hope that something could be done soon.

Mr. Conway: Mr. Speaker, I would like to speak for a few moments to the concurrence in the Health estimates and to note, among other things, the travels of the Minister of Health (Mr. Timbrell) in these recent weeks where he is clearly going around with his new-found financial resources. This morning I noticed a story in the Toronto press about the visitation of the honourable minister to east Hamilton, where he has announced another capital project which no doubt has been greeted with a great deal of local and regional applause.

It wasn't too long ago that I read he had visited Mississauga and blessed that particular community with an addition to one of their large hospitals. It wasn't very long ago when I read in the Scarborough press—which I read with great regularity—that he had announced another project which had been promised some time ago to the citizens of Scarborough. It is interesting in this connection to reflect upon how this particular year began for the Minister of Health.

When we give concurrence this afternoon, it is worth reflecting upon the circumstances under which the putative Premier, the now Minister of Health, came to the social development committee with his estimates and projects for the year 1979-80. He came to the people earlier this year offering the message of restraint, offering new active-treatment bed ratios that were going to have the practical effect of restricting growth in the public hospital sector in this province. In fact, he had announced other related projects which were going to materialize from his restraint ethics.

We had the opportunity in this past year to look at the particular program he was offering, and in particular to assess the active-treatment bed ratios that were going to be the hallmark of his projects and program in the active-treatment sector. I must say I feel a great deal of credit is owed to all members of the social development committee. While it hasn't been too public, the effect of that particular exercise this May and June has been a significant one.

We can't prove it, but those of us given to the direction of revelation know that some time, probably early in June, it was a plaintive and, some tell me, a pitiful Miniister of Health, who knocked on the door of the present Premier (Mr. Davis) and simply said: "I refuse to be the bum-boy for this government any longer. I cannot abide the kind of assault that is being continuously waged against the program which I cannot defend." The social development committee of May and June made it very clear that the poor, beleaguered, ambitious, the rumoured upwardly mobile Minister of Health was being put in an increasingly untenable position.

I understand from very good sources that his friend the Premier, the man who on a regular basis he supplies with medication here in this question period, was understanding, recognizing in the member for Don Mills certain images of his earlier days, did grant what the press reported were rather significant supplementary estimates in the order of $60 million to $80 million.

I just want to take this opportunity to congratulate my colleagues in the social development committee, for in that one limited initiative they stopped the destructive Ministry of Health from realizing what it wished to earlier this particular year. I expect and fully anticipate I will never again see a minister of the Treasury come before this House and expect us to allow a 3.5 per cent increase in Ontario Health Insurance Plan premiums. I never again expect a Minister of Health—this one or a successor—to come before the House generally, or the social development committee particularly, and try to put over the kind of ill-devised scheme, such as the one that the Minister of Health had dissected before his very eyes this past spring in the social development committee.

I congratulate him for extracting more money out of his cabinet colleagues to stop an assault on the public hospital sector in this province, and I wait with great interest to see some indication of a similar success in the medical sector.

It was interesting to hear the Minister of Health pontificate in question period today about the initiatives and views of his friend the Premier and himself on the medical question. We never did get an answer as to what, if anything, the government is going to do to redress its own admitted public dissatisfaction with the 18 per cent opted-out physician rate in this province.

Can he confirm or will he deny the reports in the press the other day and the statements in this House that the Premier and the minister and the government generally are unhappy and are not satisfied with the rate of opting out? If it is the case that they are not satisfied, will he undertake to indicate before the House rises this week what strategies he is going to apply to deal with this dissatisfaction?

I want to see something more than the kind of sleazy politics that have taken place here over the past six months with private members' bills, where the government has played a sleazy game in finding it necessary to block recorded votes on certain initiatives from certain private members but being so duty-bound as to allow votes to take place on other matters of related interest. I don't hold the Minister of Health responsible for that. It is his junior colleague, and that's the kindest word I will ever offer to the member for Mississauga East (Mr. Gregory), the government whip, who I suspect was responsible for the rather anomalous way in which those two private members' bills were dealt with.

I want to know from the Minister of Health what his dissatisfaction, if any, is with the present situation. He knows there is in this province a body of opinion which reflects very unhappily upon the present situation. We have discussed it in estimates, and I was interested to hear from him today. I wasn't satisfied in my interest as to what he plans to do to redress the alleged dissatisfaction of his government in that regard.

I am going to be most interested to see what this government has to say to the Hall commission on medicare. I await, from the present Minister of Health, a leadership which I might respond to in something other than press releases which indicate his ongoing pleasure and personal satisfaction, if not in kissing the babies, certainly in cutting the ribbons at these new hospital projects, expansions or whatever.

Mr. Ruston: You mean he has stopped kissing babies?

Mr. Conway: It is rumoured that it happened a short time ago. But I do want to hear from the minister at a not-too-distant opportunity what it is he is going to tell the Hall commission. Is he satisfied with medicare as it's currently funded and controlled by the federal authorities? If not, what is he going to suggest to his friend from the federal administration as to remedial action?

I expect this government will take a forward, progressive and a leadership role in that inquiry struck by the federal government, an inquiry which is very appropriate and very timely.

I conclude by recommending to the Minister of Health that it might be time to exercise some leadership in issues in health where I feel he has not done so in the past. He is, as I said earlier, never so happy as when he is piling bricks upon mortar and smiling for the cameras across the province. In his travels, his resilience in the cheque-handing-out process is unequalled. There are many across the way who would do well to enroll in the Dennis Timbrell school of political advancement.

[5:00]

In conclusion, I want to suggest that the Minister of Health owes it to those of us who supported the recommendation we signed in the select committee report on health-care costs and financing to analyse thoroughly the impact in the first year of the chronic-care copayment scheme. I have increasing reason to believe that in some restricted categories we are advancing, allowing and supporting an intolerable discrimination which is a particular hardship for senior citizens.

Both publicly and privately, I have spoken to the Minister of Health of my concern in this connection; I, for one, will be looking forward, in the early part of the new year, to seeing from him some kind of statistical analysis and general policy assessment of that particular initiative in terms of the impact financially and, more important, in human, social terms.

Unlike others in this chamber, I do not retreat from or retract my earlier commitment. I fully believe in the principle of proper incentives in those areas, and that is well known by the minister. But I will not support, and I will not allow my colleagues to be drawn into supporting, some kind of selective discrimination of those on fixed incomes in particular. They are not in a position to deal with the kind of discrimination which appears to be implicit in some cases, and explicit in others, in that particular program.

Mr. Philip: Mr. Speaker, there are three issues I want to deal with, and it will come as no surprise to the minister that the first

issue is the Etobicoke General Hospital and the shortage of beds we have been having there.

The minister will recall his own study showed that in November 1978 the borough of Etobicoke was in need of 130 beds.

The Peel study similarly showed the need for beds at Etobicoke General. The minister wasn't content with that. He gave various excuses, after giving us some beds in the psychiatric ward and some obstetric beds; somehow he seems to think we could put our medical-surgical patients in the psychiatric ward. He then sent it to the Hospital Council of Metropolitan Toronto. That council has come out and said Etobicoke General definitely has the need for beds. I would like to know when the administration of our hospital is going to get written confirmation from the government that it is prepared to fund those beds.

I understand that the deputy minister has been telling the hospital to go ahead and organize because they are going to have those 36 beds; however, they have no written confirmation of adequate funding for those beds. We would simply like to know when they are going to get that little piece of paper that will give them the security to go ahead.

Needless to say, in this particular case, the Etobicoke General has been turning patients away. I have confirmed that with the ministry. Without in any way wanting to be provocative, or wanting to use a personal example, I have to tell the minister that I experienced the effects of this in a very direct way.

Very recently my mother had a growth that needed to be removed. It was an open sore and had to be removed, but it was not deemed to be emergency surgery. She is 75 or 76 years old and was in a certain amount of discomfort with this sore. She had to wait a couple of weeks to get into Etobicoke General, even though her surgeon was prepared to perform the operation at the earliest possible date. I know there are a number of people who have experienced similar discomforts.

Admittedly, there was no danger of my mother dying as a result of this open wound on the top of her head which had resulted from a skin growth. She was in no kind of danger but it was a painful experience, one of concern not only to her, but also to those of us around her who saw the unnecessary discomfort and suffering which resulted from the shortage of beds. I am sure there are many other cases I could have used. I simply used this because it is a case that was very personal to me. I don't in any way feel my mother is any more of a martyr, or that I am or that my family has in any way suffered greatly as a result of it, but it was something that really impressed on me in a very real gut way the problem of the shortage of beds.

I would like to bring up a second matter with the minister, and I would like him to answer only in a way that will in no way reveal the name of the physician or the people involved. A number of months ago, I brought to the minister's attention some allegations and a sworn statement concerning a particular doctor who had an interesting way of overbilling by putting ads in a newspaper advertising for help and then doing medical examinations on people who applied for the position and sending the bill to OHIP.

I understand some charges have been laid. If the minister cannot answer at this time because he doesn't in any way want to affect the case I will understand that. If he can give me an answer, either on the record or simply the promise of a letter, I will be happy to learn what is going on in that particular situation.

There is another matter I would like to deal with, which is a matter on which I wasn't sure whether I should deal with this minister or the Minister of Industry and Tourism (Mr. Grossman). I expect this minister can bring the matter to the attention of his colleague and perhaps come to grips with it. It concerns a bid for the Mississauga Hospital contract. I am in no way suggesting the bid was improperly awarded. It simply poses a problem to which I would like the minister to address himself.

Isolation Systems Limited is a company in the Queensway area that manufactures hospital equipment. It put in a bid for the Mississauga General Hospital contract. The components of the bid were for 72 active-treatment units, 22-bed intensive-care and coronary-care units, four floor-ceiling isolation power columns, eight ceiling columns with isolated power and one neonatal service strip. Under the terms of the bid on the contract the suppliers were requested to supply a lot price, which was broken down by individual elements of the total.

We can look at the bidders. As per the specifications, Isolation Systems were the base bid, the preferred product, and they prepared a bid. Isolation Systems is a Canadian manufacturing company recently purchased, incidentally, from an American ownership—with facilities in Arnprior and in Toronto. Other manufacturers in the action included Canadian Liquid Air, which is Canadian-

owned; Amsco, which is a US-owned distributor of wall systems manufactured by Quebec-based Paramedico, which is privately owned and subsidized by the Quebec government; Borg-Warner, a US-owned company which came in with a high bid; Hill Rom, which came in with no bid; and Ohio Medical, which offered no bid.

The bidders' prices were given to five competing contractors. The winning contractor was Ellis-Don Limited, but the projected costs were approximately 50 per cent over budget. At the close of tenders for wall systems, Isolation Systems and Amsco—that is, the American Sterilizer Company—were extremely close. The proximity of the bids was in the nature of less than five per cent on a bid of $211,000. To date this company has not been able to discover just how close these bids were, but hearsay has provided the following comments: Amsco submitted solely a lot price on the date of the close of the bid. I am informed the company in my area was beaten slightly on every component of the total bid. Subsequently, various sources inform us that Isolation Systems had indeed provided lower prices on portions of the total bid. While we are unable to identify the exact total bid figures, the two bids were extremely close.

The problem is not that this Quebec-based firm got the bid. The problem is, I have here another contract or an application for contract to the Verdun hospital in Montreal. We can see when we go over the contract that our Ontario competitors, which include this company that was outbid very slightly, by less than five per cent, for a contract in Mississauga, in fact lose the bids in Quebec because of Quebec's policy to penalize out-of-the-province manufacturers.

The Amsco and Isolation Systems bids reflect the strong competitive nature of both of the manufacturers. They are both quality manufacturers. However, this US-owned manufacturer distributes a product subsidized by a provincial government. This Quebec manufacturer has a virtual stranglehold on the Quebec market, and is able to come in and ever so slightly underbid an Ontario-based manufacturer who cannot have access to the same kind of bidding in the Quebec market.

It seems to me we had a problem with chickens and eggs a while back. Both this government and the Manitoba government responded very quickly, as well they should. If we have a Confederation, if Quebec is still a part of Canada, then surely they have to behave in the way the other provinces behave. If not there should be certain consequences to that. If we are able to respond on behalf of our farmers, as well we should have, and as well the Manitoba government should have, then surely there must be some answers to protect some of our Ontario-based manufacturers from what amounts to unfair competition from Quebec when the Ontario manufacturers cannot have the same access to competition in that market.

I realize it is a difficult problem. I would hope the minister can discuss it with the Minister of Industry and Tourism. However, if he has any comments or insights at the present time, since much of the financing of the hospitals does come from his ministry, I would appreciate hearing his comments.

Mr. Ziemba: I would like to bring to the attention of the Minister of Health the Ontario Drug Benefits Plan and some of the problems that exist with the plan. I am sure he realizes that the way the Tory government has administered it this is one of the most wasteful plans. It is buccaneer free enterprise run amok.

This plan was originally designed for people on welfare but it was extended to people who receive old age pensions. The billings have gone up from $69.8 million in 1976 to $86.6 million in 1977 and $108 million in 1978. There wouldn't be any 1979 figures yet, but the figures are up from $69 million to $108 million in thre years of operations. People on welfare receive it as well as those receiving family benefits, vocational rehabilitation assistance and people in extended-health facilities.

When the Ontario Pharmaceutical Association agreed to opt into the plan they insisted they maintain their 30-day dispensing fee period. This might have made some sense back in 1975 when welfare recipients were receiving Ontario drug benefits. The argument then was somebody might go back to work; so why put them on benefits for any longer than 30 days; keep them coming back. But the pharmacists had another motive, and that was they liked the $2.82 dispensing fee coming in every 30 days.

I learned about this when I was first elected. A woman wrote to me from west Toronto and I'll read her letter into the record.

[5:15]

"I am inclined to have slightly elevated blood pressure and have been taking two 25 milligrams of hydrochlorothiazide tablets for the last two years. My doctor then gave me another prescription for the same kind of tablet. I decided to use, for the first time, my privilege card for drug benefits." She had just received her drug benefit card.

"Since I was determined to get the best deal possible for the government, I took my prescription to three different local pharmacies and asked the price of 100 tablets. I received three quotations: $3.60, $3.65, and $3.31.

"When I presented my privilege card I was promptly informed that I could have only a month's supply. Since I needed the tablets I had the prescription filled for nine tablets. I asked the pharmacist what he would charge the government for that prescription. It was $2.35. I multiplied $2.35 by 12 and obtained $28.20. Then my blood pressure really rose.

"I could purchase a year's supply of my needed tablets for $3.31, but under the drug benefit plan the taxpayers would have to pay $28.20, a bonus for the pharmacist of $24.89, minus the cost of 11 plastic containers." That would just add to our pollution problem.

She concludes: "Most citizens are delighted that such a plan has been implemented and do not object to supporting it with their taxes, but this is no reason they should be asked to pay exorbitant sums to a business group that has been doing quite well financially, even before the drug benefits plan came into effect."

Earlier this year I contacted 19 pharmacies across this province—pharmacies in Toronto, Scarborough, Burlington, Windsor, Thunder Bay and Barrie—and only one of those 19 pharmacies offered to fill a three-month supply. Most of them didn't know that this was allowed under government regulations.

Two of the pharmacists stated: "If we put through an extra two-month's supply the government will only pay for one month." That's the confusion that exists in the minds of most of the pharmacists. The remaining 16 pharmacists flatly refused to dispense for more than 30 days, stating that this is a government regulation.

The provincial auditor had a look at the way the plan was administered, and he talks about the 30-day dispensing period.

"It is estimated that in the 1979-80 fiscal year approximately $49.5 million will be paid by ODB for dispensing fees alone. If the number of prescriptions were reduced by 10 per cent as suggested, almost $5 million in savings would result. However, no basis was provided for the 10 per cent reduction."

I would suggest that the cost of this plan could be reduced by more than the $5 million the provincial auditor suggests by simply extending the 30-day dispensing fee to the normal dispensing fee period. Why should someone who receives an Ontario drug benefit card be discriminated against by the pharmacist simply because they have the card? Why can't they get their prescriptions in the same way they were getting their prescriptions before they came on the plan?

I have received some mail on this issue that I would like to read into the record. This was written by somebody in Arnprior, Ontario.

"The report of your concern with the abuse of the Ontario Drug Benefits Plan certainly was welcome. I have been fighting this unsavoury practice on a personal basis for some time and so far have succeeded only in having my doctor prescribe for 100 tablets to be taken as directed. Prior to the inception of the plan, I was able to get pridinosone tablets by the 1000 from the Vanguard Prescription Drug Store Limited in Toronto. The last order was returned marked, 'We cannot send prescription drugs through the mail.' "

Even this, I don't believe.

"I am obliged to take three separate drugs daily for the rest of my life, and this refusal by the druggist to dispense more than a month's supply could leave me with an obligatory visit to the drug store monthly for 20 years."

This man has to go back every 30 days for the rest of his life. Here he talks about letters he says he has sent to Honourable William Davis, Honourable Frank Drea, Honourable D. Timbrell, Paul Yakabuski, Mike Cassidy, asking all of them to please put a stop to this costly, wasteful and inconvenient practice which seems to make it as difficult for those over age 65 as possible.

"Thank you for your efforts, do keep up the good work." Well that's as it should be.

Here's a letter from someone in Weston: "Early last week the drugs and pricing department of the Ministry of Health contacted me by phone and asked if one of its liaison officers could call. He arrived later in the day and explained that many complaints came from senior citizens who would find it very difficult to journey to the department's offices on Overlea Boulevard. He explained that one of the conditions in the drug benefits plan was that prescriptions would be filled by the month. In reply I stated that the government shows irresponsibility with the taxpayer's money and weakness in allowing such a condition to be imposed.

"I pointed out that many senior citizens, whose health is obviously not the best, are forced to walk a considerable distance to have a prescription filled. Under wintry conditions, especially those we have recently experienced, such a person's health would suffer more than it gained by the prescription. A six-months or even a three-months

prescription is not only far easier on the citizen's health and safety but also on the government's pocketbook.

"He then pointed out that oftentimes a doctor will change a prescription. I countered that the doctor would or should know of that possibility and therefore stipulate the smaller time limit on the prescription form.

"Finally, he mentioned the government is constantly seeking ways and means to improve this service in all of its aspects and some thought has already been given to extending the monthly prescription period. Like so many political statements and promises given these days, this is so nebulous as to be meaningless."

I received a number of letters as well, Mr. Speaker, from pharmacists who supported the 30-day plan. Why not? They are getting $2.82 every time someone comes in.

"Dear Sir: As a third-generation pharmacist, I resent very much your accusation that the pharmacists are ripping off the drug benefits plan. The government of Ontario agreed to the 34-day supply at the time Parcost was introduced and seems to prefer that the pharmacist submit their accounts once a month. The up-to-date thinking re health care for the elderly is that loneliness is the biggest problem. Therefore, if they visit the pharmacy once a month they have at least one social contact. For example, long before the drug benefits plan was thought of I had a customer who telephoned twice a month for half of her prescription. The reason was that I would visit her after hours, twice a month, instead of once a month.

"Pharmacists are now expected to keep drug profiles of customers and once-a-month monitoring is good. It also reduces the supply of drugs for accidental or improper use and encourages patient compliance."

He makes an argument for social contact, but that social contact, Mr. Speaker, is costing the taxpayers over $50 million a year. The letter also makes a few other arguments that I won't go into because they are just self-serving. I believe this free enterprise approach to the Ontario Drug Benefits Plan is improper. I have complained about this since April 1976 and the government still continues to mismanage this program. The provincial auditor has finally twigged to this scam. He is strongly urging the minister to do away with the 30-day limit for dispensing. I hope the minister agrees to the provincial auditor's suggestions.

Mr. Warner: Just briefly; today's answer in the House, and to questions posed regarding the number of opted-out physicians, particularly the specialists, certainly confirms what I suspected from the outset of this serious issue. I think perhaps it's the most serious social issue we have grappled with in this province for some time. The minister, from the outset, has been on a course of premeditated destruction of the health-care system.

Hon. Mr. Timbrell: Mr. Speaker, on a point of order, privilege or whatever: We're here to consider the estimates of the Ministry of Health and not to consider some kind of ridiculous fiction being created by the member for Scarborough-Ellesmere. It's patently ridiculous.

Mr. Warner: It's hardly a point of privilege or order as the Speaker certainly recognizes.

Mr. Acting Speaker: Will the member for Scarborough-Ellesmere continue with his arguments?

Mr. Warner: Yes. I was attempting to be brief; so I certainly won't be provoked by the irresponsible remarks of the Minister of Health.

The debate that went on in the estimates, the questions which were asked and the questions which have been asked consistently in question period by my leader and others, have indicated very clearly, and we've read the answers back to the minister, that the minister is allowing the health-care system in the province of Ontario to deteriorate. He does that; he does it deliberately.

Hon. Mrs. Birch: Oh come on. I'm ashamed to even think you represent a Scarborough riding and talk like that.

Mr. Warner: I didn't quite catch that last comment.

Mr. Acting Speaker: Will the member ignore the interjections and just proceed with what he wishes to say?

Mr. Warner: I'll ignore the interjections. The government would love to return to those days of insurance company involvement. That's what it's all about. Members opposite know that and I know that, and that's why they allow it to deteriorate. Otherwise they wouldn't sit on the sidelines doing nothing, they would attempt to solve the problems which exist in the health-care system instead of allowing it to deteriorate, but they sit idly by.

Perhaps the minister is right and my allegation is unfounded. It isn't a premeditated destruction; it's simply his incapacity to be the Minister of Health. He isn't able to solve the problems.

Whether the minister is willing to admit it or not, there are problems in the health-care system. That should come through to

him at some point: there are problems. There are doctors who are upset with the system and yet he is unable or incapable of finding an answer to it, or he is simply allowing it to deteriorate. In either case, I don't find that acceptable. I think it's incumbent upon the minister to find an answer to the problems, to ensure that our citizens have the health-care system that they deserve, which is the best health-care system, instead of sitting on the sidelines.

It gets worse. He wasn't alarmed, obviously, he showed no particular concern about it; but I'll tell him I'm alarmed when I learn that 85 per cent of the anaesthetists in Metro Toronto had opted out. That doesn't bother him, he really doesn't care about that; I do, because I happen to know there are constituents of mine for whom that will pose a problem. But you see, Mr. Speaker, that doesn't mean anything to the minister; if it did he would do something about it, he'd solve the problem. I wish he would solve the problem, but I hold no hope for it.

[5:30]

In conclusion, I certainly enjoyed participating in the collection of one part of the 275,000 signatures on the petition we presented. Of course it's beyond that now. I found in my own area, as I went about the shopping centres and door to door, that people are deeply concerned. They know what the minister is doing and they do not understand the inaction, they just don't. They are losing faith in the Conservative government.

Whether the minister wants to believe it or not, the health-care system is the most important social gain we have made in this province. It shouldn't be removed.

Mr. Conway: I have a brief point, Mr. Speaker.

Mr. Speaker: You have already spoken.

Mr. Conway: It is a point which I think you'll allow if you'll just give me a moment or two. It just dawned on me when I concluded my remarks earlier, Mr. Speaker—and I know you would not wish the opportunity to pass—that we will not have an opportunity prior to the great event in the spring to wish our good friend the member for Don Mills (Mr. Timbrell) all the happiness marital bliss is going to bring him early in March. I'm told that on March 8 Dennis ceases being a menace and that he will become a reformed and more positive personality. I know, Mr. Speaker, you'll join with me in wishing him well, and that in depth.

Mr. Speaker: Is that from one who knows?

Mr. Conway: Yes.

Mr. Foulds: First let me join in the remarks of the previous speaker in wishing the minister well in at least one area of this life. I'm told that as long as either one's personal life is in a satisfactory condition or one's professional life is in a satisfactory condition, or one's financial life is in a satisfactory condition, if one of those is all right one can maintain one's hold on sanity. I'm sure all of us wish the minister well in his personal life and even his financial life; occasionally we have some questions about his professional life.

I just want to speak very briefly on one issue that has been raised largely by my friend and colleague the member for Algoma (Mr. Wildman). That's the question of transportation costs for people from northern Ontario going to southern Ontario for health services, particularly when they are not emergency services.

I might first of all relate a personal experience. I have a young son who has a minor hearing problem that we had referred to a specialist in Toronto. When we got to the office we got very good service. We found the doctor had opted out, but we went through with the examination, in spite of my ideological preferences, because there's no doubt that when it comes to one's own family health comes first, it comes before ideological preferences. It is important to all of us just how much that affects us.

The interesting thing was that the doctor happened that very morning to have a patient who had a minor skin cancer whose operation he had to postpone three months, this was during the summertime, simply because a bed was not available. I put it to the minister that in that case—first of all in the case of transporting my own son, that's relatively easy for me.

Hon. Mr. Timbrell: Was he at Sick Kids?

Mr. Foulds: No, he was sent to the Wellesley. He has a hearing problem.

As I was saying, the transportation part of it is relatively easy for me because I'm down here fairly regularly. I'm fairly well off. A member's salary is no great shakes but it's not bad; it's not as good as a cabinet minister's but it's not bad. I can afford the fare.

The service we got was excellent. There's no doubt about that. I have no quarrel with that.

However, it did strike me that it was unfortunate we had to bring my son to Toronto. It occurred to me there are a lot of people who would not have done so for the relatively minor problem he has. In other

words, there would be a block to access to medical services in different circumstances. He has a slight hearing impediment for high notes. It means he can hear normal conversation perfectly well.

We are relatively well off because I come to Toronto regularly. That's easy for us because as a member I maintain an apartment here in Toronto, I don't have extra accommodation costs for my son. But every other person who comes from the north for care incurs those costs and is inhibited from complete and total access to our health system.

It is important that in more serious but not emergency cases the minister take a look at the situation. Maybe he has to discuss this with the Provincial Secretary for Social Development (Mrs. Birch) and bring in other ministries involved, but I believe that someone who has a detached retina—I had a case like this I spoke to the minister about; the doctor in Thunder Bay, who is a very good eye specialist, did not think he should do the operation himself, maybe because he didn't have the backup staffing or whatever. He arranged for a specialist in Toronto to do the operation within five days because he felt, and I had a letter written to the effect, that if the woman did not have the retina reattached very quickly she would go blind in that eye. That was not considered an emergency operation when it was appealed to the minister through his ministry so no part of that woman's fare was paid.

I know the family involved. The couple is retired. They're not broke, they can probably absorb the cost, but they should not have had to. I feel very strongly about this issue, I feel the cost of transportation from northern Ontario to the specialist centres—Toronto or Winnipeg, because in some cases it is cheaper to go to Winnipeg when the service is available—should be met.

I know it is a difficult problem for the minister because unfortunately this government, although I don't think this applies to the minister personally, has a narrow view of the responsibilities of each of its ministries. That's why I'm glad the Provincial Secretary for Social Development is here, because I saw the letter the minister sent to my colleague from Algoma regarding the case of Lesley Voznek, in which the minister talks about the cost involved being a social cost, not a medical cost.

I put it to the minister that that is a very narrow definition. In a large number of cases he is extending that definition of social cost much too widely, because in the case I raised with the minister by correspondence, and that I've referred to here, there was not just a social cost involved. There was a legitimate medical cost even with the minister's narrow definition, because the doctor in Thunder Bay was concerned that if the operation was not done quickly—it didn't have to be done tomorrow but it had to be done within a very short period of time—she would have suffered permanent damage. That may not be an emergency in the fashion we immediately rush people to a hospital in an ambulance because of severe trauma as a result of an accident, but it sure is an emergency to that person.

I want to leave those thoughts with the minister. I really hope that in the new year, when it comes to making his New Year's resolution, if there is any single problem he undertakes to solve, besides the big problem of the hospital beds and all that difficult area, it will be this problem of transportation so people in the north truly have legitimate access to our health-care system. I hope that problem is solved.

Hon. Mr. Timbrell: I would like, as briefly as possible, to respond to—

Mr. Peterson: Take your time.

Hon. Mr. Timbrell: Is that right? I didn't realize you had a second. By the way, that's a great card that came the other day.

Mr. Peterson: Aren't those handsome children?

Hon. Mr. Timbrell: They are; whose are they?

The member for Essex North (Mr. Ruston) raised the question of the number of nursing home beds. He sent me details of a particular case which I will be glad to have my staff look at for him to see if we can be of some assistance.

I can't recall exactly, but I believe we anticipate having a report from the Essex District Health Council within the next couple of months outlining, as a result of a review of long-term care needs in the county, some recommendations with respect to nursing home beds. I would only point to a number of other areas of the province, such as Timiskaming, Peterborough, Lindsay and so forth, where we have in the last six months approved additional nursing home beds based on local studies, and indicate to him that assuming there are no problems with the study I would anticipate we would be able to address that situation in the not-too-distant future.

It is possible, of course, to bring nursing home beds on stream much faster than institutional hospital beds. The construction costs are considerably less, and also those costs are borne by the private sector so we

don't get involved in having to get in the queue for the available capital funds, even including the recent infusion of lottery funds. That doesn't mean we can do everything in a short period of time; it means we can catch up a bit but we still have to stretch our capital program out over a number of years.

The member for Renfrew North (Mr. Conway) compared the beginning of 1979 to the end of 1979. I wouldn't mind taking the opportunity to talk about what we set out to do and what we have achieved. There is no denying it has been a tumultuous year, professionally as well as personally; as the member so kindly interjected, though it was unbeknownst to me he was going to do that.

We obviously set out to do two things. First and foremost to maintain the quality of the system at a time when the pressures on it are enormous. There are pressures of change in the demographics, and they are accelerating in almost geometric proportions, as well as pressures of changes in technology. Ten years ago who had ever heard of a CT scanner, or what it could do or what it would cost to operate?

Mr. Foulds: Especially the latter.

Hon. Mr. Timbrell: Especialy the latter, right.

There were changes in medical personnel; both in numbers, where we have continued to see a tremendous growth in the total of physicians and allied professions in the province in the last number of years, and in addition all the host of other pressures of change which have been exerted on the system.

At the same time, in doing that we set out to do it within our ability to pay, within our means.

We set out, in early 1979, to limit the growth in spending by the hospitals to 4.5 per cent on base budgets for active treatment; 5.3 per cent on chronic care and on outpatient care; and overall to keep the increases in spending on hospitals to something of the order of about seven or eight per cent, as I recall.

[5:45]

We have during the year, as part of that process, seen a number of hospital beds in the province converted to chronic care, that has been one of our goals as well. We will end the year, I think, with around 450 beds having been converted from acute care to chronic care, which obviously is not taking them out of service. I would argue that in most of the communities where this has occurred it has improved service. Previously, a number of people were actually chronic patients but were lost in acute-care programs, in acute-care wards where they were not getting the proper attention persons with chronic ailments, diseases or injuries require.

When we approve the conversion of these beds, it is not just a matter of changing the label at the foot of the bed. When a conversion occurs the hospital must submit for our approval a program to go with that conversion. If it is a case of establishing a chronic-care unit or expanding one, either way they have to justify the program they are going to provide to the chronically ill patients. That is one thing we set out to do, and that is one thing I think we are being successful in doing.

We have certainly gone back to cabinet during the year. I have said, "I need some more money." I will be magnanimous and share the credit with the member for Renfrew North (Mr. Conway), or whomever, on that; but I would point out that, as I have before in previous years where I found I needed more money, whether it was for additional nursing-home beds or to allow appeals on budgets to maintain usually agreed-on levels of service, I went to cabinet for more money and I got it.

I don't know whether the member was in the House the Friday morning in March when $66 million in supplementary estimates for my ministry went through virtually at the snap of a finger. I was amazed. I thought I was going to be here the whole morning and I was here for 10 minutes getting that approved. I don't know whether the member wants to take credit for that too; I will share it, he can have that too; and for the year before and so forth.

We do watch very carefully in the ministry, through the area teams, what's happening with the accreditation reports and various other indices to be sure we are maintaining an acceptable quantity and level of care. All through the year I have been visiting various parts of the province to engage in the process I have always engaged in as a minister, and that is to keep in touch with what is happening around the province. The member would agree if he was on this side, or ever happened to sit on this side, that it is important to get out and around to find out what is happening in his area of responsibility.

I have also made it a point that where we are approving new projects I am available to go and take part.

Mr. Nixon: You heard it here first, he's available.

Hon. Mr. Timbrell: That's right, but only until the first part of the new year.

It is important to emphasize, particularly in the area of the capital program, that we are constantly approving new projects, although not as many as some would like. I remind members we have had the lottery proceeds allocated to us so we can catch up with some of our capital program.

The member also raised the question of the submission to the Hall commission. As I indicated during question period today, the hearings of Mr. Justice Hall's commission will be public and therefore, our submission will be known. I will be interested at the same time in seeing the honourable member's submission.

We will certainly emphasize the accomplishments of the last 21 years since universal hospital insurance and then universal medical care insurance were introduced, as well as some of the difficulties being faced at this time and some ideas that we have on them.

The member for Etobicoke (Mr. Philip) raised the question of the beds at Etobicoke General Hospital. I can tell him, and I think it was on Monday if not, late last week, that staff has been meeting with officials of the Etobicoke General. All we are discussing now is the budget, it is not a question of the beds.

The Hospital Council of Metropolitan Toronto has agreed we will go ahead and open the 36 medical-surgical beds at Etobicoke General, over and above the—what was it, 19 psychiatric beds and 10 obstetrical beds, or was it the reverse? I can't recall which is which now, but we will take another look at it as part of the overall review of beds for Metropolitan Toronto the first part of which we should have in the first quarter of 1980. That deals specifically with the chronic and extended-care needs of Metropolitan Toronto. The big pressure in Metropolitan Toronto, particularly in the west end, is in the area of chronic care and extended care.

If we can get a handle on those two areas, that will take the pressure off the acute-care beds, because there are all kinds of people backed up into acute-care beds and chronic-care beds—

Mr. Philip: Not in Etobicoke General.

Hon. Mr. Timbrell: Yes, even in Etobicoke General. It is part of the problem. I am not saying it's all, and we have acknowledged that, because this will have added 65 beds in total this year to the Etobicoke General. This is in addition to the 130-bed addition which is being added to the Mississauga General Hospital, the 60-bed addition which has been approved for the Peel Memorial Hospital, and the completely new hospital approved for west Port Credit area. I can assure members that once we have the hospital council's review we will be acting on it as well, just as we did on the review done three years ago that resulted in conversion of the Grace to chronic care and private care.

Mr. Philip: You stalled for months. When are they getting their money? That's all I want to know.

Hon. Mr. Timbrell: We are negotiating on the budget. I am not going to give them a blank cheque, because I don't get blank cheques from the taxpayers. They have submitted a budget which is under discussion, because what they submitted is in our opinion far too high when you consider we should be talking about incremental costs, not total baseline costs per bed; however, that will be sorted out very quickly so they can get on with it.

With regard to the physician about whom the member wrote to me, I can't give him any information right now in this forum, but I will give him what I can. It was followed up immediately by us and everything possible is being done in reviewing that particular physician's practice and involving the medical review committee. I will communicate further.

Mr. Philip: I understood criminal charges were laid. Is that true?

Hon. Mr. Timbrell: I don't believe we have laid criminal charges. I don't believe so, but I will check on the current status.

With regard to the problem the honourable member raised about his constituent firm's bid at the Mississauga project and his description of the situation in Quebec, it is very tempting, and this is a problem which was drawn to my attention a number of years ago when I was first a member here. A printing firm, the head of which lived in my constituency at the time, came to see me about some work involving forms for the Quebec government, on which he had bid in Quebec. Even at that time, and there was a Liberal government when I saw it, he faced the problem that the Quebec government, throughout the entire system, gives—what is it, a 15 to 20 per cent advantage to Quebec firms?

Mr. Philip: Ten per cent.

Hon. Mr. Timbrell: Well in some areas it is 15 or 20 per cent. In this particular case, in the printing area at least, I recall 15 to 20 per cent.

We have not, as a government, fallen into the trap of retaliating. To be sure, it is very frustrating and it makes it very difficult for

Ontario firms to compete there. It is even more maddening for the affected individual or firm when a Quebec firm comes in here and gets a contract.

I suggest, though, that if we were to retaliate that would be the signal to every other province that they should do the same. The principle of free access and transfer of goods and services in Canada would be destroyed; it would be a nail in the coffin of Confederation.

I think we have to attempt to work out these kinds of problems, and we must try to do this with Quebec. I really can't see any particular benefit to Canada in Ontario retaliating in kind to that kind of policy; that can only lead to heightened tensions, which would be to fall into the well laid traps of some of our separatist friends.

The member for High Park-Swansea (Mr. Ziemba), who has apparently left the chamber, referred to the Ontario Drug Benefits Plan and the comments of the Provincial Auditor. I would only say, sir, I wish he had read that portion of the auditor's report containing our response to those comments of the Provincial Auditor in which we indicated what action is being taken. We are moving to do something about this 30-day prescription period in negotiations with the pharmacists' association.

Discussions have already been carried out between the medical association and the pharmacists' association resulting in an agreement that if a physician's note on the prescription is not to be altered—I forget the exact wording but what it amounts to is if the duration of the prescription is not to be altered it will not be. I anticipate we will be able to resolve that problem in 1980.

Mr. Warner: Disagree.

Hon. Mr. Timbrell: I am sorry. The member for Scarborough-Ellesmere and I apparently and obviously are never going to agree philosophically on most things.

Mr. Foulds: If you did he would resign.

Hon. Mr. Timbrell: Don't tempt me.

Mr. Warner: We'll make an exception.

Hon. Mr. Timbrell: With respect, I appeared on his television program about seven or eight months ago. We sat there and I went through the facts about the health-care system and what is happening: the fact, for instance, that we are ending up this year with approximately the same number of beds in the province as when we started—we are about 600 beds in total ahead of about four or five years ago; the facts about the number ber of services. I remember well we had a very honourable discussion, and being the host of the television show he said, "There you are, medicare is in crisis. Good night." Before I could get another word in, there we were.

With respect, the member, for his political purposes, has started out with the conclusion which he has been trying to sell and which the people aren't buying, they are just not buying.

As I said to Ontario Federation of Labour representatives last week, when we had a very good discussion, if you go to people and ask do they support medicare, they are going to sign a petition. If you say to them If you don't want all the doctors to opt out please sign this, they are going to sign the petition. There is no question, health care is the most important service which this government funds, bar none. If you were to do a poll every other service funded by the government would fall way back in the pack.

Mr. Nixon: What about reforestation?

Hon. Mr. Timbrell: Reforestation? Well, that may be close.

Mr. Peterson. What about fisheries?

Hon. Mr. Timbrell: Well especially around Lake Erie that's right, that would be front and centre, the most important.

My gravest concern, of course is always to retain public confidence in the medicare system, which for the member's political purposes he has been trying to attack. I don't think he is being successful because the facts deny the kind of message he is trying to put across.

Reasonable people, by far the majority of the population of this province, understand that in a massive system there are going to be problems, particularly at a time when this country is beset by so many problems of living within our means. They know too that the basics of the medicare system are sound and that the kind of message the member is trying to put across just doesn't synchronize with the facts.

I want to finish off on the question of transportation costs. I sympathize entirely with the kind of situation the member for Port Arthur (Mr. Foulds) has described. I haven't always lived in Metropolitan Toronto, in Don Mills. I come from rural eastern Ontario where the nearest hospital was 25 miles away. Quite frequently people in our village had to travel to Toronto or to Montreal or wherever for services.

Mr. Peterson: Was it a log cabin, Dennis?

Hon. Mr. Timbrell: No, it was stone, limestone as a matter of fact.

Mr. Peterson: But it was small and poor and you did walk to school.

Hon. Mr. Timbrell: No, it was big; but there was a hole in one window or somewhere, I forget.

The fact is that in the Ministry of Health we have a great many demands on us for a variety of health programs, and we do everything possible to ensure that we are in fact funding necessary and required health programs.

When we have nonmedical costs, I'm sorry I have to draw the line at what I can consider funding through the Ministry of Health. That isn't to say that in those cases where people have difficulty with transportation costs or accommodation costs in getting to resources, whether it's in Toronto or London or Kingston or Ottawa or wherever, that we shouldn't do something about it.

I outlined in my letter to the member's colleague, the member for Algoma (Mr. Wildman), the fact there are programs available to look after those cases of hardship. Nobody is being denied access.

I'm sorry I can't agree that nonmedical costs should be covered out of OHIP.

I think the time has concluded.

Resolution concurred in.

The House adjourned at 6 p.m.

ERRATUM

No.	Page	Column	Line	Should read:
135	5451	1	18	the province takes $15 million out of the

APPENDIX

(See page 5758.)

ANSWERS TO QUESTIONS ON NOTICE PAPER

FISH STOCKING PROGRAM

397. Mr. Foulds: Will the ministry outline details of any fish stocking programs that have taken place at Rufus Lake, Torrence Lake and Guylfoyle Lake in Kapuskasing district since 1970? What was the cost of each of the stocking programs for each of the lakes for each year. (Tabled December 6, 1979).

Hon. Mr. Auld: Rufus, Torrence and Guylfoyle Lakes in Kapuskasing district have not been stocked with any species at any time since 1970, and indeed since 1950. The lakes support cool and warm water species fisheries.

TORONTO OHC HOUSING

398. Mr. Dukszta: Would the Minister of Housing indicate what is the current number of vacant units in the Metro OHC portfolio; specifically, how many vacant units are there, in which projects are they located, how long have they been vacant, and what is the project-by-project rate of occupancy; and what efforts are being made to ensure that vacant units are being filled speedily. (Tabled December 7, 1979.)

Hon. Mr. Bennett: A list indicating the current number of vacant units by municipality in the Metro OHC portfolio is attached.

When a project manager receives a notice from a tenant of his/her intention to move, the tenant placement section is immediately notified The unit is then offered to an applicant who has indicated a preference for the particular location Allocations are made in accordance with the point rating system which gives priority to applicants in the greatest need

Under the Landlord and Tenant Act all residents are required to give 60 days notice prior to termination of tenancy. In the majority of instances OHC residents provide less than the required notice. This creates difficulty, as many applicants feel obligated to give 60 days notice to their present landlord and are therefore unable to accept short notice vacancies. Of the 198 vacancies listed herein, 94 of these units are presently on offer and all units listed have received at least one offer. A period of approximately seven to 14 days is required for maintenance in order to prepare units for the new residents

MUNICIPALITY OF TORONTO

Project	Turnover 1978	Units Vacant	Days Vacant
Edgewood	8	1	26
Spencer Avenue	1	1	12
St. Jamestown	140	1	12
Blake Street	61	6	73, 42, 12, 12, 12, 12
Gerrard/River	44	1	12
Davenport Road	20	2	12, 12
Greenwood Park	6	1	27
Regent Park	269	55	12, 98

MUNICIPALITY OF SCARBOROUGH

Project	Turnover 1978	Units Vacant	Days Vacant
Teesdale/Pharmacy	49	2	11, 27
Warden Woods	74	5	63, 42, 37, 12, 11
Scattered units	11	1	40
Birchmount/Eglinton	26	2	12, 9
Danforth/Midland	93	2	26, 12
Eglinton Avenue East	37	2	19, 12
Finch/Birchmount	68	2	10, 10
Galloway/Lawrence	65	2	40, 12
Hallbank/Pitfield	3	1	42
Kennedy Road	53	2	12, 12
Kennedy/Glamorgan	24	1	12
Kingston/Galloway	58	4	13, 12, 12, 10
Lawrence/Orton	72	4	54, 24, 20, 12

Lawrence/Valia	1	1	12
McCowan Road	54	3	40, 17, 13
Mornelle/Ellesmere	18	3	32, 25, 17
Mornelle/Morningside	57	2	13, 12
Sheppard/Birchmount	42	1	4
Victoria Park/Chester Lane	26	1	15

MUNICIPALITY OF NORTH YORK

Project	Turnover 1978	Units Vacant	Days Vacant
O'Connor Drive	29	1	26
Flemingdon Park	64	2	12, 3
Leslie/Finch	34	1	12
Jane/Falstaff	112	2	34, 12
Trethewey/Tedder	70	2	8, 8
Parkwoods/Rayoak	13	2	82, 32
Finch/Brahms	55	2	18, 12
Allenbury Gardens	9	1	12
Yorkwoods Village	39	6	46, 42, 35, 12, 12, 12
Firgrove Crescent	32	6	52, 42, 42, 15, 12, 12
Finch/Topcliffe	3	2	42, 12
Neptune	13	4	42, 12, 12, 12
Jane/Yewtree	10	1	3
Jane/Firgrove	27	2	26, 10
Finch/Ardwick	4	1	77
Scattered units	11	1	12
Jane/Milo	20	3	12, 12, 12
Edgeley	103	16	87, 68, 68, 58, 44, 42, 36, 36, 22, 20, 20, 15, 12, 12, 10, 5
Finch/Tobermory	53	7	73, 42, 35, 12, 12, 12, 12
Duncanwoods	7	2	94, 12
Lawrence Heights	112	3	73, 10, 5

MUNICIPALITY OF ETOBICOKE

Project	Turnover 1978	Units Vacant	Days Vacant
Capri	49	3	12, 4, 4
Islington/St. Andrews	62	2	27, 12
Lightwood/Sanagan	2	1	42
Scarlettwoods	36	4	32, 12, 11, 4
Tandridge Crescent	44	1	18
Thistletown	80	3	42, 12, 12
Willowridge	33	4	42, 25, 21, 12

MUNICIPALITY OF YORK

Project	Turnover 1978	Units Vacant	Days Vacant
Jane/Woolner	32	3	58, 42, 12
Porter	59	1	18

SALMONELLA LEVELS

386. Mr. Isaacs: Is the minister in possession of any information concerning the incidence and level of salmonella in fresh and frozen chicken on the retail market? If so, will the minister provide that information in so far as it compares the incidence and level of salmonella in imported chicken with that of chicken from domestic producers? (Tabled December 4, 1979.)

Hon. Mr. Henderson: Results of a survey conducted by federal authorities indicate that at the retail level salmonella was present in approximately 52 per cent. of the chicken tested. We are advised that there is no significant difference in the salmonella level of frozen and fresh chicken. Freezing does not materially decrease the number of salmonella organisms. In the tests conducted to date, there has been no distinction made

between domestic and imported chickens; however, based on information from the US meat inspection authorities their testing at plant level reveals a situation comparable to that in Canada.

Committees have been established which are actively involved in efforts to reduce the incidence of salmonella. A key committee is comprised of members of the federal health protection and health of animals branches and representatives of the poultry industry, which plans to put forth, early in 1980, a proposal for salmonella control in Canada.

In addition to the federal government's efforts, staff of the veterinary services branch of the Ministry of Agriculture and Food are working closely with industry on the problem. We are confident that the long-range program being developed for salmonella control will significantly reduce the incidence of this organism.

As long as proper precautions are taken in the kitchen in the handling and cooking of poultry, salmonella should pose no problem for poultry consumers. In preparing the bird for cooking, appropriate sanitary measures should be exercised to prevent contamination of counter surfaces, utensils, et cetera. Proper cooking destroys salmonella organisms. Cooked leftover meat should be maintained in refrigeration.

SPRUCE FALLS PERMIT

395. Mr. Foulds: Will the ministry table copies of the land use agreement and the land use permit issued to Spruce Falls Power and Paper Company by the Ontario Ministry of Natural Resources for the Fred Flatt Road, between Highway 11 and the Kapuskasing River, and north of the Kapuskasing River to the Old Smokey Line? What public moneys have been spent on any or all portions of the Fred Flatt Road north of Highway 11? (Tabled December 6, 1979.)

See sessional paper 302.

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Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
Blundy, P. (Sarnia L)
Bounsall, E. J. (Windsor-Sandwich NDP)
Campbell, M. (St. George L)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. (Renfrew North L)
Drea, Hon. F.; Minister of Consumer and Commercial Relations (Scarborough Centre PC)
Eaton, R. G. (Middlesex PC)
Elgie, Hon. R.; Minister of Labour (York East PC)
Epp, H. (Waterloo North L)
Foulds, J. F. (Port Arthur NDP)
Gigantes, E. (Carleton East NDP)
Grossman, Hon. L.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
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Mackenzie, R. (Hamilton East NDP)
Martel, E. W. (Sudbury East NDP)
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Warner, D. (Scarborough-Ellesmere NDP)
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
Wildman, B. (Algoma NDP)
Williams, J. (Oriole PC)
Ziemba, E. (High Park-Swansea NDP)

Ontario

No. 145

Legislature of Ontario Debates

Official Report (Hansard)

Third Session, 31st Parliament
Thursday, December 20, 1979

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, DECEMBER 20, 1979

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

NEW PLANNING BILL

Hon. Mr. Bennett: Mr. Speaker, at this time I am pleased to table a draft of a proposed new planning act for Ontario. As members may recall, this draft act follows publication, earlier this year, of the white paper on the planning act.

The draft legislation translates into legislative terms the conclusions contained in the white paper. Some changes have been made resulting in part from preliminary concerns expressed on the white paper and from technical implementation of some proposals. These changes are clearly identified in the explanatory notes that accompany the legislation. These modifications are a clear indication of the effectiveness of our public participation process and of the willingness of this government to give expression to the views of the community in these important matters.

To further clarify how the revised planning system would work, the second part of the document contains summaries of the main provisions of the key procedural regulations which will be issued at the same time the new act comes into force. Also included is an explanation of the nature and purpose of the new provincial policy statements proposed in the white paper.

One area that has not been covered in the draft legislation deals with the transitionary provisions that will need to be included before the act is introduced into the Legislature. This is seen as a specific technical aspect that should not hinder an understanding of the new act itself.

Beginning late in January 1980 senior staff from my ministry will again conduct a series of workshops across the province for municipal representatives and those in the private sector so that further questions and concerns arising from the white paper and the draft act may be addressed before final submissions are made to the ministry. The deadline for such submissions we have now set as March 31, 1980, and a list of the meeting dates and locations will also be provided to all members.

Finally, I would stress that this document is a proposed act for discussion purposes only. While it represents as closely as possible the content the proposed legislation may take, it is still in draft form. Copies of the draft legislation are now being forwarded to all municipalities and to individuals and groups which have participated in the public review process over the last number of months. All members of this House are of course cordially invited to attend any of the meetings to be held with municipalities throughout the province over the next number of months.

Copies of the draft legislation will be in the mail box of each member. In addition, I would like to say we are again prepared to brief both opposition caucuses on the draft legislation and its implications.

MENTALLY RETARDED FUNDING

Hon. Mr. Norton: Mr. Speaker, I wish to advise the House today of the government's intention to increase the provincial funding for the development of community services for the mentally retarded in Ontario by eight per cent in the 1980-81 fiscal year. A news release giving details of this increased funding and what it will mean at the community level is being distributed to members of the House and members of the legislative press gallery this morning.

PEACE BRIDGE ASSOCIATION FOR THE MENTALLY RETARDED

Hon. Mr. Norton: I must regretfully inform members of the decision taken by the Peace Bridge Association for the Mentally Retarded in Fort Erie to cease operations on December 31 and in so doing to withdraw community residential opportunities and training programs for approximately 50 developmentally handicapped children and adults. I want to emphasize that I remain hopeful this unfortunate decision can be rescinded.

The Peace Bridge association, which has granted its staff extremely high salary awards in the last six months, is contemplating

closure as a result of its inability to pay for those increases. I would encourage the association's board and the staff to search diligently for ways within their current allocation to avoid a complete cessation of services.

The Peace Bridge association currently operates residential services for 27 adults and children. The association also provides vocational programs for 37 clients, some of whom live in the community.

It is with considerable consternation, then, that I report the closure action contemplated by the Peace Bridge association. This ministry has been and continues to be strongly supportive of community-based programs for the mentally retarded. Our commitment to this concept will continue, as will our policy to promote and to provide for an expansion of community residences and programs for the developmentally handicapped.

In so far as the Peace Bridge association's decision is concerned, the association's current difficulties stem from the fact that recent salary awards greatly exceed ministry guidelines and the association's ability to pay. On April 1 this year we, the ministry, allocated funds which permitted the association to award a 15 per cent salary adjustment, which was agreed to by the ministry despite our general five per cent guideline on salaries that had been brought to the attention of all associations. In doing this, we recognized there were large inequities between what employees of one association are being paid and what those in other associations are receiving.

Following that agreement, the Canadian Union of Public Employees was certified as bargaining agent for the association's staff. The association's board of directors and the union signed an agreement on October 15. The terms of that new agreement included a 19 per cent increase retroactive to January 1 of this year, plus an additional 12 per cent increase on April 1, 1980. This was in addition to the 15 per cent salary increase awarded by the association in April of this year.

In summary, this settlement and the earlier award combined to give staff a 36.5 per cent increase in 1979 and by April 1980 they would have received considerably in excess of a 50 per cent increase in 15 months.

As I indicated earlier, it is recognized that inequities exist among certain associations in terms of the salaries they pay their staff. It was in that context that we provided in our 1979-80 funding additional allocations to pay extra moneys to those associations whose staff salaries deserve special consideration. Peace Bridge was one association given extra money for that purpose. Overall, the association received a general increase of 12 per cent in 1979-80 over the previous year's allocation. That allocation included provision for the salary increase of 15 per cent.

As I indicated at the beginning of my statement, it is with deep regret that I announce the association's decision to end its operations. This termination of services is particularly painful for the mentally handicapped who have benefited by their presence and living in the community. For those people who will be denied community living opportunity I want to assure them, their families and friends, that alternative accommodation has been arranged in our provincially-operated facilities for the mentally retarded. This will only be a short-term solution while we pursue vigorously alternative arrangements for these adults and children.

The only other solution proposed by the Peace Bridge association would be for the employees, the Canadian Union of Public Employees local and the board of directors to review their situation within the context of available resources. I strongly encourage those involved to do so.

The ministry has reviewed a number of possible program changes with the association, but it was jointly determined that the program changes alone could not permit the association to live with such dramatic salary increases. It is possible that program adjustment in combination with the review I've suggested above could resolve the problem.

I hope, of course, for a positive resolution of this problem. Whatever the resolution, our commitment to community-based care is well known and will continue to be a priority of this ministry. In this era of slower economic growth, it is incumbent upon all of us to recognize fiscal realities and to accept the responsibilities of working within reasonable financial parameters.

ILLEGAL ACTS BY POLICE

Hon. Mr. McMurtry: Mr. Speaker, I want to inform you and the members of the Legislature of the results of my review of the transcript of some of the testimony during the recent trial in Barrie of a criminal charge against Gerald Stevenson and Robert McLean of the Metropolitan Toronto police department arising out of their use of a fictitious affidavit during the investigation of the shooting death in Toronto of one Bruce Lorenz.

I undertook to the member for St. George (Mrs. Campbell) and others to make a complete statement on this matter before the House rose.

One of my agents, Robert McGee, deputy crown attorney in charge of the downtown Toronto office, was called as a character witness by the defence in this trial and some of his testimony was the subject of considerable comment in the press. I indicated earlier that I wanted to review the transcript before commenting.

During my term of office as Attorney General I have repeatedly emphasized that equality before the law is a principle of fundamental importance in our society and that one part of that overall concept is the very basic principle that no person is above the law. Recently, the activities of police officers in this country have been the subject of considerable public scrutiny and debate. Throughout this analysis and discussion we have maintained the self-evident principle that the police are not above the law. No responsible person has questioned that principle.

Notwithstanding consensus on this issue, it is sometimes difficult to apply this important general principle to specific cases which arise from the very nature and necessities of police work. For example, may an undercover police officer, investigating an allegation that a highly organized criminal extortion and blackmail operation is being carried on in an hotel, further his investigation by registering under a false name at that hotel, notwithstanding the provisions of the Hotel Registration of Guests Act? This act makes it an offence for any person to register under a false name.

Are apparent breaches of regulatory laws, or even on occasion criminal laws, by police officers necessary in order to ensure that crime is detected and prosecuted? In some cases, what may appear to be a breach is not a breach because by legislation and at common law, police officers have wider powers than ordinary citizens in many areas such as the power to arrest and the right to carry firearms.

In addition, the law of Canada affords special protection to police officers and in limited circumstances to private persons in the work of law enforcement. Whether couched in terms of defences, exemptions, excuses or justification, those involved in the work of law enforcement are, under certain circumstances, protected by our law from prosecution.

To the extent that the law does not explicitly permit the act in question, is it possible for society to permit its law enforcement officers to do the act and yet, at the same time, maintain an honest adherence to the principle that the police are not above the law? If not, is legislation necessary? The question is what degree of protection our laws should provide for police officers acting reasonably and in good faith in the administration and enforcement of the law. It is a very old principle of our law that the state owes protection to those to whom it entrusts the duty of enforcing the criminal law.

The establishment of and the proceedings of the McDonald commission should have put these questions in very sharp focus, not only with respect to the Royal Canadian Mounted Police, but also indirectly with respect to every other police force in Canada. Unfortunately, the provincial Attorneys General in Canada have not been afforded the access by the Solicitor General of Canada and the McDonald commission to factual information that we must have in order to fulfill our constitutional responsibilities as the chief law officers of the crown in our respective jurisdictions and in order to have participated in a meaningful way in the McDonald commission hearings.

In June 1978 my officials were advised by the McDonald commission, through its counsel, that the commission would be concerning itself with some of these very questions and would welcome submissions from provincial Attorneys General in addition to the submissions it was expecting from the Solicitor General of Canada in his capacity as the elected official responsible to the people of Canada for the conduct of the members of the RCMP.

Earlier in the spring of 1978, the RCMP in Ontario had provided me with a report to the effect that the criminal investigation branch of the RCMP had conducted no "intelligence probes" in Ontario similar to those identified before the McDonald commission as having taken place in other provinces.

The Solicitor General of Canada did not permit the RCMP to provide me with a similar report with respect to the activities of the security service branch of the RCMP in Ontario and, despite an early request, the McDonald commission refused my request for observer status for one of my senior officials during the in-camera commission hearings regarding such activities.

I wrote to the Solicitor General of Canada in July 1978 and said in part: "As the chief law officer of the crown in this province, it is my view that, over and above what may take place by way of submissions to the McDonald commission, it is essential that you and I attempt to arrive at some mutually satisfactory agreement on these questions.

"I suggest the following general outline for your consideration and for the purpose of further discussions:

"(a) Subject to the possible effect of contractual arrangements in some provinces, you, as Solicitor General of Canada, have the political responsibility for the RCMP as an institution and therefore are politically accountable for the action of its personnel in both criminal operations and security services branches.

"(b) As Attorney General of Ontario I have the legal and political responsibility to ensure that the law is enforced in this province and therefore that any breaches of the law that take place here are properly dealt with.

"(c) The expression 'ensuring breaches of the law are properly dealt with' does not mean that an Attorney General of a province should review, either in advance or after the fact, all of the activities of the RCMP. Rather it means: (1) If there are to be guidelines for the RCMP, the provincial Attorneys General should have some opportunity to participate in the formulation of the guidelines. (2) If there is to be a mechanism for reporting acts apparently outside those guidelines to the attention of the relevant provincial Attorney General, the provincial Attorneys General should similarly have some opportunity to participate in the formulation of that mechanism. (3) Notwithstanding any such guidelines and mechanism, neither you nor I can interfere in any way with the right of a citizen to swear an information before a justice charging a police officer with an offence or with the duty of that justice to decide whether process should issue. (4) Similarly, no guidelines or mechanism can alter the fact that I have the ultimate responsibility, as chief law officer of the crown, in this province, to prosecute or stay any proceedings where process has been issued.

"I do not pretend that the answers to the many questions in this area are easy. However, I do want to make it clear that I reject the idea that because something allegedly concerns national security it should be of no concern to a provincial Attorney General. To accept that suggestion would be inconsistent with my responsibilities as chief law officer of the crown in this province for the reasons which I stated above."

The then Solicitor General of Canada declined to discuss these matters with me. In October this year, the current Solicitor General indicated he was willing to discuss them and I am hopeful these discussions can take place at an early opportunity.

Although we have had no substantive discussion with the federal Solicitor General's ministry with respect to these matters and although the prospect of being able to participate in a meaningful way in the McDonald commission is still not very encouraging, we have nevertheless discussed the matters at length with our counterparts in other provinces and with our police personnel in Ontario. These discussions indicate that although there is a consensus the overriding principle must be that the police are not above the law, there may be a need for some legislative change to clarify the application of that principle in relation particularly to provincial regulatory restrictions such as those contained in the Hotel Registration of Guests Act.

In addition, it is clear the police are entitled to the fullest possible information and assistance from crown law officers with respect to the extent of police powers, such as under section 25 of the Criminal Code, which provides generally that a person acting under lawful authority in the administration or enforcement of the law is entitled to use as much force as is necessary to carry out that lawful purpose and with respect to the applicability of the relevant common law defences in those fact situations where the police are at all in doubt as to the propriety of any proposed action.

Hopefully the McDonald commission will ultimately provide some guidance with respect to what legislative changes are appropriate. In the meantime, we in Ontario shall continue to do our best to ensure the overriding general principle is followed and the police are given as much guidance and assistance as possible.

In addition to possible legislative change and the fullest reasonable reliance on existing statutory and common law defences, it is important to remember the proper application of prosecutorial discretion may dictate that a particular case ought not to proceed to court even though there may be prima facie evidence tending to indicate an offence has been committed.

In early 1978, I had occasion to advise this House of the results of a police investigation into certain events involving a former federal Solicitor General. I said at that time and wish to repeat now:

"A prosecution is not automatically launched in every case where there is some evidence to support the laying of criminal charges. Police officers and the crown law officers who advise them have broad powers to decide whether or not to launch a prosecution taking into account all the circumstances surrounding the case.

"Henry Bull, the late crown attorney for York county, a highly respected prosecutor,

stated that the crown's duty in deciding whether prosecution is justified is twofold. The first duty is to determine whether a criminal offence is disclosed by the facts in the sense that a prima facie case is made out. The second duty is then to determine whether prosecution would be justified in a particular case.

"This exercise of judgement was best put by two Attorneys General of England, Sir John Simon and Sir Hartley Shawcross, both speaking in the House of Commons: 'There is no greater nonsense talked about the Attorney General's duties than the suggestion that in all cases the Attorney General ought to prosecute merely because he thinks there is what lawyers call a "case." It is not true, and no one who has held the office supposes that it is.'

"Sir Hartley Shawcross supported Sir John Simon's position: 'It has never been the rule in this country . . . that suspected criminal offences must automatically be the subject of prosecution . . . the public interest . . . is the dominant consideration.' "

Mr. Speaker, I would stress that not merely is this the law of Canada as well as of England, but it also reflects very accurately the responsibilities of the Attorney General of Ontario as I have experienced them during the last two and a half years at that time.

It is obvious that there will be cases where evidence is presented to a crown law officer which tends to show that a police officer has committed an offence in the course of his duties as an investigator, but in the proper exercise of prosecutorial discretion it will be the crown law officer's view that the public interest would not necessarily be served by proceeding with a prosecution. A police officer, like any other citizen, is entitled to have a potential prosecution against him considered by the appropriate law officer applying long-accepted principles of prosecutorial discretion.

The exercise of prosecutorial discretion must however be something done with individual cases, not on the basis of general exemptions or immunities. The exercise of such discretion must never be allowed to interfere with the fundamental duty of the Attorney General and his agents to see that the administration of public affairs, including law enforcement, is conducted in accordance with the law. The exercise of prosecutorial discretion in individual cases does not mean that the police are entitled to come to the crown in advance to obtain permission, let alone encouragement, to breach the law.

After reviewing the transcript in the Stevenson and McLean case, I am satisfied that none of the witnesses called by the accused advocated that the police should be above the law or immune from the same sanctions as any other citizen absent, some saving statutory provision.

I am also satisfied that it is clear from Mr. Skatfeld's testimony that there is no instruction given at the Ontario Police College which would tend to encourage a breaking of the law such as the use of illegal tricks or stratagems in the conduct of investigations. I regret that on the part of some witnesses there was a failure to distinguish between "tricks or strategems" which are legal in the sense of not being proscribed by any statute and those that are illegal.

In my statement, Mr. Speaker, I have set out the cross-examination of Mr. McGee, the crown attorney, who was called as a defence witness and who was asked certain questions and gave certain answers. Now these are set out on some four and a half pages and this statement has been provided to the members. I do not intend to read this portion of the statement now, in the interest of time.

Mr. Renwick: On a point of order, Mr. Speaker. My point of order is that in view of the importance of this statement, the fact that it has been distributed to the members is not a reason for dispensing with the reading of any part of it.

Mr. Speaker: That's at the discretion of the minister as to what he wants to put on the record.

Mr. Renwick: Mr. Speaker, on a point of order, when statements of the ministry are provided to the members of the assembly, those parts that the minister wishes to put on the record should be in the statement and nothing else, so I would suggest that because of the importance of the matter, the Attorney General do us the courtesy of reading all of the questions and answers that were put to Mr. McGee in the case.

Hon. Mr. McMurtry: I have no objection to that, Mr. Speaker.

Interjections.

Hon. Mr. McMurtry: During cross-examination, Mr. McGee was asked the following questions and gave the following answers:

Question: "If they had come to you and said to you that they wanted to do that, to make up a false affidavit, to put her signature on there without authority, what appears to be her signature without authority, to indicate that a JP had sworn that and signed it, what would you have instructed them?"

Answer: "Well, you told me you were going to ask me this question sooner or later."

Question: "Out of fairness."

Answer: "I told you it was a very difficult question to answer. I would have to phrase my answer in the context of the type of case that these officers were investigating. As I understand it, they were investigating a man who they believed was a diabolic, hardened, clever criminal and a man who they had great difficulty in getting evidence against. I would have to phrase my answer in the context of those circumstances.

"If they came to me and told me that the only way they could obtain any evidence against this man that they knew to be the murderer was by the use of a document such as this, I think that my advice would be to them that they would have to recognize the risks they were running, the possibilities of legal consequences against them, but if this is what they wished to do and this was the only way they could see to do it, then they should."

Question: "You would advise them to do it?"

Answer: "I would advise them of the risks they were running in doing it and I would advise them that if they felt as police officers that this was the only way they could gain evidence against a man who had committed a diabolical murder on an innocent young person in a shopping centre in my area, that would be the advice I would give them, quite honestly, Mr. Murphy."

Question: "Well in effect, Mr. McGee, then what you are telling us is they have to make the decision?"

Answer: "They have to make the decision. I would advise them of the risks they were running, as I am sure you would. But, I, as I say, I can't control them. They are not controlled by us. They are controlled by their superiors."

Question: "I am not asking you this as an expert because you are not qualified as one before the court and you are not called as one, and it would be unfair to do so, although I am prepared to admit you are an expert. You, as crown attorney, a crown attorney, are of the opinion that an officer should and is entitled to break the law of our land?"

[10:30]

Answer: "Should and is entitled to break the law of our land? No. I don't think he is entitled to break the law of our land. But I think it is our duty certainly to advise this jury, Mr. Murphy, that you know very well illegally-obtained evidence is admissible in our courts. The Supreme Court of Canada has indicated that."

Question: "I am not talking about that; I am talking about breaking the law. I am not defining law; that is why I said I am not asking you as an expert. I am not asking you the very thing this jury will have to decide later. I am asking you, as a crown attorney, do you believe it is a proper thing for a policeman to break a part of a section of the Criminal Code in order to conduct a prosecution?

Answer: "Well, I certainly don't think it is in most cases; but in a case where this was, as I explained to you, a highly unusual case, such as this appeared to be, assuming what you have asked me, Mr. Murphy, is"—and then the next question intercedes:

Question: "I am not asking about this one. Don't answer a question I didn't ask."

Answer: "Pardon?"

Question: "Don't ask for the question. I didn't ask a question, I said, 'Do you generally think—' "

Answer: "You are talking generally."

Question: "—that police officers should break the law—' "

Answer: "No, I don't generally. No."

Question: " 'or—in order to further his investigation?' "

Answer: "No, I don't."

During re-examination, Mr. McGee was asked the following questions and gave the following answers—that was re-examination by counsel for one or both of the police officers.

Question: "Just to pick up on that, if I may briefly, Your Honour. You would not advise a police officer to break the law?"

Answer: "I certainly wouldn't."

Question: "No. You told us that in a peculiar circumstance of this case, with a caveat you would tell them to proceed?"

Answer: "I would tell him to proceed and I would advise him of the risks he was running."

Question: "And by virtue of section 21 of the Criminal Code you would be encouraging him under the circumstances?"

Answer: "I suppose I would."

Question: "And be guilty yourself?"

Answer: "I suppose I would. I suppose I would, but—I will leave it at that."

That is the portion of the testimony I believe to be relevant, Mr. Speaker.

I think it can readily be seen that some press reports of Mr. McGee's testimony were incomplete because they tended to isolate and emphasize one part of his answers without fully reporting the qualification he included in those answers.

Notwithstanding that caveat, I wish to advise the members of this House that I have

communicated with Mr. McGee and have made it clear to him that his answers did not reflect what my policy and that of my ministry has been and will continue to be. I am satisfied now that Mr. McGee did not intend to say he would ever advise the police to break the law.

However, in my view a mere instruction to the police as to what the law is, followed by an invitation to them to go ahead and do what they think they should, does not amount to a proper fulfilling of the function of local agents of the Attorney General. I hope in a situation such as that presented to Mr. McGee and the questions asked of him in court that crown counsel consulted by the police would advise the police in the strongest possible terms not to proceed with such a course of action.

It is important to remember that in this very case the investigating officer who laid the charge against Mr. Stevenson and Mr. McLean received extensive advice and assistance from my senior law officers before they made their decision. Mr. McGee's answers to the hypothetical questions put to him were not consistent with the advice given by my senior law officers prior to the laying of the charges, and I have made my concern about that known to Mr. McGee.

As I have indicated above, I found myself in some disagreement with a part of what Mr. McGee said, and perhaps more so with what he did not say. But he has made it clear to me that he is in full agreement with the policy I believe must be followed. Mr. McGee has been a dedicated and capable servant of the public for a substantial period of time and will, I hope, continue that role for many years to come.

With respect to the ultimate disposition of the case, I wish to advise the members of this House that there will be no appeal by the crown against the disposition. As the members of this House are undoubtedly aware, my agent, the local crown attorney Mr. Murphy, an experienced and competent crown counsel, took the position that an absolute discharge was the appropriate decision.

In Regina v. Aggozino, the Ontario Court of Appeal has made it clear that it is unfair to an accused for the crown to launch an appeal against sentence on a basis inconsistent with the position taken by the crown at trial and that, accordingly, crown appeals in cases such as this will not be entertained. Although I personally might—and I stress the word "might"—have taken a different position than what was taken by Mr. Murphy—and I emphasize the word "might" because I was not there in court hearing and seeing the witnesses—I support not only the right but the duty of my local agents to exercise their discretion in accordance with well-established principles and traditions of the office of crown counsel.

TORONTO ISLAND HOMES

Hon. Mr. Wells: I wish to inform the members of the House that I have written today to the chairman of Metropolitan Toronto Council, Mr. Paul Godfrey, to let him know that we will not be proceeding with Bill 153, An Act to amend the Municipality of Metropolitan Toronto Act during this session of the Legislature. As members know, this legislation deals with residences on the Toronto Islands. However, I want them to know that it is my intention, and the government's intention, to introduce a new bill which will be essentially the same as Bill 153 during the next session of the Legislature in the spring.

In my letter to Mr. Godfrey, I also made the following observation. I asked that in the interval between now and the introduction of the new bill the municipality of Metropolitan Toronto refrain from any action under the writs of possession which were issued in October 1978.

AID TO CHRYSLER

Hon. Mr. Grossman: As I have stated on numerous occasions, our government is deeply concerned about the future of Chrysler Canada, its employees, the city of Windsor and the impact that closing down the company would have on Ontario. We are pleased with the recent actions of the US House of Representatives and the Senate in responding positively to a request to support the Chrysler Corporation. At this time, the House and Senate are meeting in an effort to finalize the package of financial assistance for Chrysler. We look forward to a positive resolution of this issue within the next few days.

The actions of the US Congress are of particular importance to Ontario, since our estimates indicate that the failure of the company could result in the loss of 23,500 direct jobs and between 20,000 and 40,000 indirect jobs; an increase in the unemployment rate in Windsor to between 30 and 40 per cent; and a cost to the federal and Ontario governments totalling up to $1 billion including forgone tax revenues and costs associated with existing UIC programs.

We have not only remained in constant contact with the government of Canada and the management of Chrysler, but I have con-

ferred regularly with the Honourable Robert de Cotret, Minister of Industry, Trade and Commerce. My deputy minister has met with his counterpart in Ottawa on several occasions, and we have also met with the union members representing the Chrysler locals of the United Auto Workers.

We have reviewed the various studies which have been carried out, including those of the US Treasury, the American consultants Booz, Allen and Hamilton, and Data Research Incorporated. We have also reviewed the draft bill forwarded to the President of the Senate and the Speaker of the House of the US, by the secretary of the US Treasury.

We have, naturally, reviewed the Chrysler submission to the government of the United States and their proposals for the Canadian company. I will repeat what I have said previously. We are willing and anxious to assist Chrysler Canada. However, we are seeking commitments from the company with regard to new investment and employment, as well as the assurance that any assistance provided by the province will be adequately secured.

Contained in the Chrysler proposal for the development of its Canadian activities are two items which will allow for the updating of operations in Windsor for the manufacture of new generation commercial vehicles and engines. We want to see those established in Ontario, together with appropriate provision for research and development and the manufacture of in-house parts and components, possibly plastics.

These operational changes would substantially increase Chrysler's employment in Ontario. The company is in a position where it must update products to compete in the North American market place. However, given the current financial status, incentives will be required to develop those facilities. Manufacturing locations for the new products are dependent to some extent on assistance available. We know that various states in the USA are prepared to commit loans or grants to the corporation. Much of Chrysler's supplementary financing, apart from US government aid, will be from various jurisdictions that have an economic stake in the future of the corporation. Those states are our competition.

In the general consolidation of Chrysler's activities, Ontario will not risk losing Canadian operations as the corporation rationalizes its production facilities. We have an opportunity not only to maintain the company's presence in Ontario, but also to expand that presence, with a resulting increase in the company's payroll.

There is an opportunity for Ontario to take a major step toward strengthening and restructuring the auto industry in this province. We intend to capitalize on that opportunity, while at the same time negotiating safeguards which will protect the province and the public interest, until such time as public funding is no longer required or has been reimbursed.

Presuming the details of American government assistance to ensure Chrysler's continued existence are completed within the next few days, we are ready to undertake immediate negotiations to achieve the objectives I have outlined in this statement this morning. We will be meeting with the federal government within the next few weeks to co-ordinate our efforts. I would like to take this opportunity to assure both the members of this Legislature and the people of Windsor that we will remain on top of the situation and seize every opportunity open to us.

I am confident the federal government, together with ourselves, will be able to ensure every job in the Chrysler Corporation that can be saved will be saved.

EMPLOYMENT DEVELOPMENT FUND

Hon. Mr. Grossman: Mr. Speaker, I am pleased to announce today that the Ontario government has approved an Employment Development Fund grant of $10.5 million to assist Domtar Incorporated in a five-year, $112 million program to modernize its pulp and paper facilities in Ontario.

The federal government has allocated an additional $5.25 million in assistance over the next three years. This will be one of the largest capital expenditure programs ever undertaken by Domtar at its pulp and paper operations in this province, and will involve major improvements to three of its mills.

Approximately $62.4 million will be invested in the Red Rock operation; $43.3 million will be spent in Cornwall; and $6.3 million will be invested in Trenton. A portion of Domtar's expenditures will be directed towards environmental improvements at the three mills. The Red Rock, Cornwall and Trenton operations employ approximately 2,570 people and have an annual payroll of $46 million. The company's investment in modernization is expected to stabilize these jobs and add a small number of new jobs. While there will be some job changes at each facility, it is expected that they will be achieved through on-the-job retraining. No layoffs will result from the program.

Domtar anticipates that 85 per cent of the goods and services used in this moderniza-

tion project will be purchased in Canada. The company will be working closely with both the federal government and our government to ensure that their shop-Canadian commitment is met.

The Treasurer (Mr. F. S. Miller) is in Cornwall this morning to conclude the agreement, the third to be signed under a program in Ontario to encourage improvements in the province's pulp and paper industry through incentives for mill modernization, energy conservation and pollution abatement investments. The governments of Ontario and Canada expect to offer a total of $150 million to Ontario pulp and paper producers. Our government will fund two thirds of the incentive program, with the federal government providing one third.

While he is in Cornwall, the Treasurer will also be announcing our decision to provide Employment Development Fund grants to two additional firms in that area. Atlas Hoist and Body Incorporated of Cornwall, a major producer of original equipment bodies for off-highway earth-moving machines, will receive an EDF grant of $300,000. In the interests of time I will not read the balance of my statement relating to Atlas Hoist and Body Incorporated but the details of the program are contained in my statement.

As well in that area, an Employment Development Fund grant of $140,000 has been approved for Heuga Canada Limited. Details of the employment program and the investment program are also contained in this statement.

I would add the Heuga Canada Limited program typifies the kind of development we are looking to support through the fund. It will provide stable long-term employment, foster the development of needed job skills, stimulate export development and contribute to export replacement.

Finally, I would also like to announce our government's participation in a major investment project in Sarnia. As the members of this Legislature know, in December of last year, the Prestolite Division of Eltra Corporation closed its Sarnia plant, laying off 220 employees. This division manufactured automotive electrical accessories and fractional-horsepower motors.

[10:45]

Since that time, the Ontario government, former employes of the Prestolite Division, the plant's previous owner, an outside investor and the local community have all been involved in active negotiations to put together a financial package that would permit the plant to be reopened. I am pleased to announce today that our government will be providing an Employment Development Fund grant of $200,000 to Sarnia Electrical Motors and Appliances Incorporated. As a result of this grant, the former Prestolite plant is expected to reopen early next month. There will be 99 new jobs created in the first year of operation, increasing to 296 jobs by 1984. The project will result in an investment of $3.7 million and fractional horsepower motors will be manufactured for the North American market. Approximately two thirds of the projected production will ultimately be exported to the United States.

Mr. Speaker, our early discussions with the parties involved clearly indicated that our government's participation would be key to the success of the project. For $200,000 we have ensured the reopening of the Prestolite plant, levered significant private sector investment and created much-needed new jobs in the great city of Sarnia.

REFUGEE ASSISTANCE

Hon. Mr. Baetz: Mr. Speaker, Christmas is always special, but this particular Christmas is more special than most. The fact that makes it so extraordinary is the presence among us of thousands of dispossessed men, women and children from southeast Asia.

During the last 12 months the compassion and goodwill of the people of Ontario have paved the way for a remarkable refugee settlement here. More than 10,000 refugees, sponsored privately by more than 2,000 community groups, have come here to settle in more than 200 communities across this province. The provincial government is helping in this resettlement both directly and indirectly. I would like to report very briefly on what we have been doing during 1979.

Before I do that, though, let me simply re-emphasize that the goodwill of the people of Ontario has been the key factor. Our government has had a role, but that role would have been irrelevant without the deep commitment of individual citizens. As honourable members know, the Ministry of Culture and Recreation has primary responsibility for the long-term resettlement of newcomers to Ontario. Given that, it has been assigned the lead role for co-ordinating the provincial government's response to the refugee movement from southeast Asia. It is fulfilling that assignment in two ways.

First, it is working with such other ministries as Health, Labour, Education, Housing and Community and Social Services to try to ensure that the government as a whole is playing its part in this resettlement in the most effective way possible.

Second, my ministry is undertaking its own initiatives. The focal point of its activities is the Indo-Chinese refugee settlement unit which runs out of Ontario Welcome House in Toronto. The unit has been set up since the summer and during the last three months it has been providing direct services, information, education and community support.

In the direct service area, it is doing such work as translating documents for refugees and teaching English as a second language to people who are not in the school system. The ministry is also training volunteers to teach English as a second language.

In the information area, my ministry is providing basic background on the refugees to individuals and organizations who are dealing with those refugees. And in community support, it is providing both professional time and money to help deepen the services that community agencies offer to refugees.

All in all the Ontario effort during 1979 and particularly the volunteer effort has been a very substantial one. I take great pleasure in acknowledging that volunteer effort and the outstanding human qualities that have driven it. I know all members on both sides of the House will want to join me in extending deep thanks to all those people who have given so selflessly to help the dispossessed of Southeast Asia take their place in our society.

TRIBUTE TO CLERK OF THE HOUSE

Mr. Speaker: Before we get to all the questions, I would like to remind all honourable members of the House that we are reaching a milestone in the history of this House that I think is worthy of note, namely that on December 20, 1946, our present Clerk was appointed Assistant Clerk of this House. On October 18, 1951 he was appointed assistant chief election officer. On January 1, 1955, Mr. Lewis was appointed Clerk of the Legislative Assembly, succeeding his father, Major Alex Lewis. On January 1, 1955, he was appointed the chief election officer for the province of Ontario, which means that effective January 1, 1980, he will have served us a total of 33 years, and 25 years as a Clerk of this assembly.

I'm sure that all honourable members would like to join with me in paying tribute to Mr. Lewis for his long and dedicated service and to thank him most sincerely for that service.

Hon. Mr. Davis: Perhaps, Mr. Speaker, you will seek the indulgence of the members of the House and allow the Clerk to take 20 minutes to reply. Knowing him as I do, he won't.

Mr. T. P. Reid: Mr. Speaker, before we go on to oral questions, I had expected that the Minister of Natural Resources (Mr. Auld) would be making a statement about Atikokan in response to a question from myself earlier in the week. I know he had a statement with him yesterday. I don't see him in the House. I wonder if the Premier could indicate if he would be here and when he does, would we be able to revert to statements at that time?

Mr. Renwick: I have a similar concern with respect to a question I asked the Premier last week about the allocation of emergency oil supplies in Ontario, in the contingency of an emergency. The Premier at that time said that early this week there would be a statement either by himself or by the Minister of Energy (Mr. Welch). I notice that this was conspicuous by its absence this morning.

Hon. Mr. Davis: In an attempt to accommodate the time frame and also the concern with respect to the length of time of statements, the Minister of Energy was going to deal with the question the member for Riverdale raised briefly during the discussions on concurrences of his estimates. He will be here to do that and has something to say on that matter.

With respect to the question raised by the member for Rainy River, I will check with the Ministry of Natural Resources. My information is that the minister intended to issue a press release related to that, but I will check that out and let the honourable member know.

ORAL QUESTIONS

ACCESS TO OHIP SERVICES

Mr. S. Smith: Mr. Speaker, I have a question for the Minister of Health. Does the minister recall his commitment to me and to this House in March of this year, March 30 to be precise, when the minister was asked how people who are coming into hospital for operations would have a right to choose an opted-in versus an opted-out anaesthetist? He said that if a person insisted he could get one who was opted-out and he said there would be a mechanism. His exact words at the time, Mr. Speaker, were, "The medical association and the hospital association have undertaken to come up with a mechanism by which this could occur."

Could the minister tell us what this mechanism is?

Hon. Mr. Timbrell: Mr. Speaker, I will just correct the member's question. It was to have access to the services at the OHIP rates.

Following those discussions in March with the medical association and the hospital association, they have had a number of discussions between them. They have circularized all their members and essentially it's been left in the hands of the individual hospitals and their medical staffs to ensure this access. We are all of us—the medical association, the hospital association, the ministry—watching it very closely. To date I am not aware of any difficulty in any of the hospitals that would indicate there is not access to the services at OHIP rates.

So the mechanism has been a continuing consultation between the associations and keeping their members apprised of this need and this requirement. To date every indication is that it's working.

Mr. S. Smith: By way of supplementary, does the Minister of Health not know what the mechanism is? In most of the instances is it a box that someone ticks off as to whether they wish to have opted-in or opted-out rates when they come into hospital? Is it somebody who comes to them the night before the operation saying; "Do you insist on not paying my full bill?" Is it a question of the anaesthetist deciding who can pay and who can't; or his or her secretary deciding this? What is the mechanism and will the minister share it with this House? Why has he not reported it to us?

Hon. Mr. Timbrell: Mr. Speaker, it varies. The finite details will vary from hospital to hospital. For instance, a hospital in London has a member of the staff who goes around and sees the patients on admission. In another hospital the patients are seen afterwards; that's the case with the president of the Ontario Medical Association. It will vary, but the principle of access, to be seen by the anaesthetist or a member of his staff and—

Mr. S. Smith: And he will make the judgement as to who can pay.

Hon. Mr. Timbrell: No, no, Mr. Speaker; the principle in question here is the right of access to services at OHIP rates, and every indication is that that is being applied and is working.

Mr. Breaugh: It is true that anaesthetists have taken to notifying people, but quite contrary to what the minister just said in that field it's very difficult to notify ahead of time. Isn't it really time that the minister brought in some form of legislation like private member's Bill 169, which requires that in a publicly-funded hospital, using publicly-paid-for equipment, and with publicly-paid-for support staff in the form of technicians and nursing staff, that at least in that one clear circumstance the work should be done at the OHIP rate?

Hon. Mr. Timbrell: Mr. Speaker, Bill 169 sort of goes both ways. It talks about the services being available at OHIP rates and it talks about opting out as well; maybe the member didn't intend it to come out the way he drafted it, but Bill 169 goes both ways. If there were indications that services are being denied at the OHIP rates, yes we would have to look at something like that, but I have to tell the honourable member there's no indication whatsoever that sort of thing is required. The community hospitals, in his community and in mine, working with their medical staff are ensuring the services are available.

Mr. S. Smith: Mr. Speaker, I must ask, by way of supplementary, that the minister clarify this matter. Do I take it that the minister is satisfied with a situation where the patient, either pre-operatively or post-operatively, is visited by an anaesthetist and then somehow out of that meeting there comes a decision as to whether the bill will be an OHIP-rate bill or something above that? I take it he's satisfied with that without knowing whether the decision as to whether to pay the OHIP rate or not lies in the hands of the patient or in the hands of the doctor. Surely that's the essential matter. Can the patient simply state, without having to beg, without having to stand up against any implied threat or any implied bad feeling, easily when he or she enters the hospital, that they insist it be at the OHIP rate and hear nothing more about it; or do they have to engage in conversation with a doctor, does the doctor make the decision as to whether they have to pay above the OHIP rate? Could you please clarify that?

Hon. Mr. Timbrell: Mr. Speaker, it couldn't be any clearer than in the March 29 statement I released. It says the services will be available at the OHIP rates where the patient is—

Mr. S. Smith: I asked the minister a fair question.

Hon. Mr. Timbrell: I am giving the honourable member a fair answer, but he never listens. It's very clear that the patient has the right to insist, and the medical association and the hospital association have agreed they will ensure the patient has the right of access to all services at OHIP rates. When the member talks about anaesthetists, that is the

most difficult area because they aren't always assigned ahead of time, sometimes it's on call and that sort of thing. That's why the president of the medical association has suggested that in those cases where it's not possible, because the patient is in great pain or is partially sedated or whatever, to make the arrangement in advance that the anaesthetist at least talk to the patient afterwards before billing. To my knowledge, and I have discussed this extensively with the hospital association as well as the medical association regularly since March, there have not been any difficulties in ensuring that is being carried out. It is being monitored by the hospital board, the administration and the medical staff of the hospital.

[11:00]

Mr. Cassidy: Given that more than half of the specialists are opted out in many specialties, and in many communities across the province and not just in isolated instances, is the minister aware of the proportion of claims that are charged on an opted-out basis by specialists across the province? Is the minister also not aware of the fact that a general practitioner will generate many more claims which will tend to be opted in than a specialist because a specialist's fees for each service will be much higher?

Is it not, therefore, the case that the material filed in this House up until now may not give a truly accurate position in terms of the amounts that people are having to pay to opted-out specialists? Does the minister have the information on the proportion of claims by specialists on an opted-out basis and will he provide that information to the House?

Hon. Mr. Timbrell: I don't have the information broken down. I'm told that the bulk of opted-out claims do come from GPs and anaesthetists, they make up the majority. I've not seen them broken down by specialty in making up the nine per cent of the claims that are billed directly to the patients.

EMIGRATION FROM ONTARIO

Mr. S. Smith: I have the last question initiated by yours truly in the 1970s, the Davis decade in Ontario.

Mr. Foulds: Don't count on it. We might be here tomorrow.

Mr. S. Smith: That's right, we might be here tomorrow, but I'm assuming we won't. Does the Premer find it ironic that now, at the end of this decade, for the first time in living memory the net migration figures show 5,000 more people have left Ontario than came here, despite a very large migration here of anglophone Quebeckers? The boast, "Is there any place you'd rather be?" has, under the Premier's leadership, been answered embarrasingly in the affirmative by thousands of people who would rather be somewhere with a better opportunity of working or owning a home. Would the Premier agree that his policies have taken "a place to stand and a place to grow" and turned it into "a place to leave"?

Hon. Mr. Davis: I won't become provoked this close to Christmas by the rather immature, facetious and non-serious question being asked by the Leader of the Opposition.

Mr. S. Smith: Don't be condescending.

Hon. Mr. Davis: I'm not condescending at all. I'm just telling the facts the way his party, if it were honest, would express them.

Mr. S. Smith: When you engage in personal insult you make a personal fool of yourself.

Hon. Mr. Davis: I'm not being personally insulting by saying I think it's an immature question, I do think it is.

Mr. S. Smith: Migration from Ontario has been disclosed for the first time in living memory. Why doesn't the Premier comment on it?

Hon. Mr. Davis: No, with great respect, it is not the first time. It all depends how long one's memory is. If the Leader of the Opposition is saying that in his view the strength of this province, the opportunities that are available here and the potential that exists are significantly less, that's fine. I'm sure that happens to be his point of view. It doesn't happen to be mine. I have no quarrel with the fact that some people have left this province, whether on a permanent or part-time basis, to travel to western Canada, particularly Alberta as a result of the economic growth that is taking place there.

Mr. S. Smith: To work.

Hon. Mr. Davis: With great respect, they're going for some other reasons too. Some have even gone to British Columbia. If one traces the economic history of the United States, one will find that certain people have moved to the state of California. There has always been a tendency to move in a westward direction. That's why our policy of "GO east" with respect to the Toronto-centred region has been in defiance of historical tradition even within this province. I'm just speaking for Brampton. There has been that tremendous growth in that direction.

I really could become almost enthusiastic over the way the Leader of the Opposition has worded the question. It really does in-

dicate a degree of cynicism and pessimism on his part. This province represents, in terms of the economy and in terms of the social and educational programs, which he doesn't think are so hot, still represents the best place to do business, the best place to raise a family, even the best place to be involved in the political process. This still happens to be so in the province of Ontario, and will continue to be so into the 1980s; and I expect it will be a Progressive Conservative administration that sees us through the 1980s, as it has been in the 1970s, the 1960s, the 1950s and part of the 1940s.

Mr. S. Smith: Mr. Speaker, the question has nothing to do with the great potential of this province but rather the sad waste of this potential because of the poor leadership it is now receiving. This province has a very great future, but a future it will only enjoy properly once it is given proper leadership to use the human resources intelligently rather than squander them in the way that is the case at present. Since very shortly, as we go in the 1980s, that responsibility will lie with members on this side of the House—

Mr. Speaker: Order. Does the member have a supplementary question?

Mr. S. Smith: Yes I am getting to the point of it.

Mr. Speaker: Put it forthwith.

Mr. S. Smith: Given that Ontario, as a partner in Confederation, entered the 1970s as a lion and is going out as a lamb with the lowest rate of growth in manufacturing, would the Premier explain to us how, during his leadership, manufacturing growth in Ontario fell to 10th among the provinces of Canada, and exactly what it is he intends to do to make Ontario something other than the sick old man of Canada, which it has become under his dreadful and dreary leadership?

Hon. Mr. Davis: I am a very modest person, I certainly wouldn't want to quote back to the leader of the Liberal Party of Ontario the views of the leader of the Liberal Party of Canada on how he sees the Premier of this province, especially now that the member has endorsed him so enthusiastically What he has been inferring here this morning is in contradiction to what his leader said. I know that would be hard for the member to accept now that he has become so enthusiastic again about his federal leader.

When he made that commitment the other day, did he know that Pierre was going to be the leader again, after the member advised him at OISE he was doing the country a great service by resigning?

However, I won't get involved in a political debate. I would just say to the Leader of the Opposition if, when he asked the question the way he did, in the rather sarcastic and cynical tone he uses, he would just look around at some of his colleagues as he asks those questions and see the smile upon their faces as they listen to their leader asking a question they know themselves is totally silly.

Interjection.

Hon. Mr. Davis: Oh come on, Patrick; you know better, I know better.

Why doesn't the leader talk to some of his colleagues in his own caucus on occasion? Why doesn't he let them share in some of the decision-making? Why doesn't he take their advice and assistance? His political life would mature more rapidly if he would accept some of their judgements.

The member agrees with me; I know he does.

In relation to the economy of this province, the Leader of the Opposition is concerned about the manufacturing sector. I can only tell him once again that in terms of the jobs created there is not another province in Canada that has done as well. There hasn't been another jurisdiction in North America in the past two years that on any comparative basis has created as many jobs within the manufacturing and service sectors as has taken place here in Ontario.

Mr. S. Smith: The dollar fell off just like that; more layoffs, more bankruptcies.

Hon. Mr. Davis: Oh, come on; what does the member mean more layoffs? We have made better progress economically in the manufacturing sector than anywhere else on a comparative basis, and the member knows it. This is in spite of his opposition to our assistance to the pulp and paper industry. It is in spite of his opposition to our assistance to the automotive industry. The Leader of the Opposition totally embarrassed the member for Windsor-Walkerville (Mr. B. Newman) for months by his opposition to the Ford contribution. Of course he did; I read the Windsor paper more regularly than he does. My in-laws send it to me. I know what he says back home and what he says here.

Mr. B. Newman: Mr. Speaker—

Hon. Mr. Davis: Oh come on, I know how you supported the Ford deal. Mr. Speaker, I would only say to the Leader of the Opposition, for once, show a little enthusiasm, show a little confidence. I would urge him to join with us as we move—

Mr. B. Newman: I would like the Premier to tell the House just exactly what I say back in the Windsor area if he knows so much.

Hon. Mr. Davis: Mr. Speaker, I know on a very personal basis that the member for Windsor-Walkerville was very enthusiastic about the involvement of this government with respect to the assistance to Ford Canada. Is that not correct?

Mr. S. Smith: We supported it.

Hon. Mr. Davis: Yes.

Mr. Sargent: Supplementary, Mr. Speaker: In support of my leader's question, I would like to ask the Premier, being the modest man that he is, if he can recall over the years—the 1940s, 1950s, 1960s and 1970s—anywhere in the history of the free world where there has been a contract let for $7 billion such as he signed against the recommendations of a committee? When is he going to get that money back for us? What is happening to Ontario when he can do that; arrange a $7 billion contract for a scandalous deal with Denison Mines Limited? When is he going to get that money back for us?

Hon. Mr. Davis: Mr. Speaker, if the member for Grey-Bruce is looking for any personal contribution he certainly is not going to get it from me. I must tell him I did not—

Mr. Sargent: Don't be smart, you know you are wrong.

Hon. Mr. Davis: Oh I know the member is smarter. I mean that has been clearly demonstrated in this House for the past number of years, I do not quarrel with that. I mean he demonstrates it with great affection every time we meet in the press gallery. I will not tell people what he says to me on these occasions, which is totally different from what he says here in the House.

Now I am about to answer the question.

Mr. Sargent: On a point of privilege. Every time I see the Premier in the press gallery it is a joy to be with him. But every time he sees me he offers me a deal to cross the House.

Hon. Mr. Davis: Listen, the member for Grey-Bruce has invited me to lead his party and I had to reject that invitation. I had to reject that invitation.

Mr. Speaker, I just want to make it very clear to the member for Grey-Bruce that I did not sign any contracts. It is fair to state that members from his own party on that committee ultimately came to the decision that it was in the best interests of the public of this province and some—

Mr. S. Smith: It is false, you know it. Why do you keep saying it?

Hon. Mr. Davis: Oh come on, it is.

Mr. S. Smith: It is false. You made a false statement just now.

Hon. Mr. Davis: False? Oh, well, all right. Mr. Speaker I will rephrase it.

Mr. Speaker: Order. I wish the Leader of the Opposition would rephrase his interjection, because it is clearly out of order.

Mr. S. Smith: The interjection was, Mr. Speaker, that the Premier has just made a false statement. If that is out of order I will say then that the Premier has made a statement which is factually incorrect? Is that better?

Hon. Mr. Davis: I will certainly accept the Leader of the Opposition's judgement as to what his members genuinely felt. I find it difficult sometimes to translate what people really think and what they express in documentation. I will say, then, that his party is not enthusiastic, he did not think it was in the public interest and we will let it rest there. I just happened to know there are a lot of people who feel it does. I just emphasize to the member for Grey-Bruce I did not sign any contract.

[11:15]

PHYSICIANS OPTING OUT OF OHIP

Mr. Cassidy: Thank you, Mr. Speaker. I am just sending over to the Premier some figures, which we prepared yesterday, on the amount of opting out by specialists across the province. My question to the Premier, Mr. Speaker: does the government remain committed to universal access to health care in Ontario? If so, now that the Premier is aware of the various high rate of opting out among specialties—such as psychiatry, anaesthesia, obstetrics, orthopaedic surgery, otolaryngology, urology, ophthalmology, and plastic surgery—will the Premier undertake to rescind the fee agreement with Ontario Medical Association until these specialists agree to stop billing their patients over the OHIP rates?

Hon. Mr. Davis: Mr. Speaker, I think the Minister of Heath has really dealt with this rather extensively, not only in the past few days but number of months. If the member is asking if we're going to terminate the agreement, the answer to that, of course, is no. I am sure the leader of the New Democratic Party would understand that answer. I think it's also fair to state that all doctors who opted out don't in fact do what he suggests.

Mr. Cassidy: Supplementary: Can the Premier explain why it is that the government tolerates such high rates of opting out among certain specialties, when those specialties in fact, are the areas where medical incomes are already the greatest? If I can be specific,

why allow a high degree of opting out when psychiatrists are earning an average estimated income in 1980 of $60,000; when anaesthetists will get $66,000; when it will be $80,000 for orthopaedic surgeons; when it will be $76,000 for the otolaryngologist; and when it will be $71,000 for the ophthalmologist?

When those figures are the estimated net incomes for those specialties, for those who remain within OHIP, why is it the government tolerates those specialists adding a 42 per cent surcharge to incomes which are already extremely high?

Hon. Mr. Davis: The government doesn't tolerate them adding because a lot of them do not add. As I explained to the leader of the New Democratic Party, who I know would terminate the agreement, legislate everybody in and put everybody on salary, that is not the approach we're taking. We're trying to encourage the profession, some of them, to move back onto the OHIP schedule.

Mr. Lupusella: That is not the approach we're taking.

Hon. Mr. Davis: Of course he is advocating it. There is no other alternative the way members opposite present it. He wants a confrontation with the medical profession, we want to see solutions and we think we are achieving them in a much better fashion than the leader of the NDP and his people would.

Mr. Conway: I'd like to ask the Premier, since he has been reported and since I have heard him indicate a personal dissatisfaction with the present rates of opting out, would he indicate to this House today the basis of his personal dissatisfaction with present rates of opting out and what he plans and proposes to do about it?

Hon. Mr. Davis: Mr. Speaker, I don't know that I've registered a personal dissatisfaction in that sense of the word. I believe I was asked a question about whether I was content with it and I think my answer was, "We would, as a government, obviously prefer to have more doctors within the plan." That's not news. It's something I have stated on a number of occasions, as has the Minister of Health.

I said in answer to a question, I believe from the leader of the New Democratic Party, although it might have been the member's leader—

Mr. S. Smith: Why are you not content? What is the basis of that?

Hon. Mr. Davis: If he will listen. Is he going to let his health critic ask the question?

Mr. S. Smith: That's the question he asked.

Hon. Mr. Davis: I intend to answer it. Don't get so excited; relax, enjoy life a little bit. Have a bit of fun.

Mr. S. Smith: Why? What is wrong with the present situation? Every word you've said indicates satisfaction.

Hon. Mr. Davis: What does the member mean why am I not content? I would prefer to see more doctors in the plan, that's why I'm not content. It's as simple as that. If he wants it as simple as that, that's the way it is.

Mr. Breaugh: A supplementary to the Premier, who I understand takes great pride in being a reasonable person. Does it seem reasonable, as a taxpayer as well as being Premier of the province, that we, the people of Ontario, pay the overhead; we, the people of Ontario, pay for the equipment; we, the people of Ontario, pay for the technical and nursing staff; but the doctor has no obligation, particularly if he functions in a hospital as most of the specialists do, to charge the approved rate? The Premier is a reasonable man, would he try to give us a reasonable response on that?

Hon. Mr. Davis: Mr. Speaker, a lot of people who are involved in a form of public service have certain amounts of the overhead paid. I'm not going to argue with the member for Oshawa that some members of the medical profession don't utilize the hospital for which the public has paid, no question about that.

But let's be very honest with one another. As a private member, he gets—and I wouldn't say for a moment too much by way of compensation—but a constituency office, which is overhead; an office here in the building, which is overhead, and secretarial assistance, which is a form of overhead. We all get this.

Mr. Foulds: We are all on salary and don't levy surcharges.

Hon. Mr. Davis: That's fine, but this is all in addition to salary. All of us in the public sector have a portion of our overhead paid. It's always easy to single out others in terms of their overhead being paid by the public sector, but let's acknowledge that some of our overhead is also being paid in addition to the modest salaries we receive.

MINIMUM WAGE

Mr. Cassidy: In view of the fact that the Premier is prepared to see specialists averaging $80,000 a year opt out and get extra net income, I would like to ask him a ques-

tion about the lowest paid people in our society, the hundreds of thousands of people across this province who are forced to go through Christmas this year on the minimum wage of Ontario, which was set at $3 an hour in January 1979.

Since the Workmen's Compensation Board benefits have just been increased by 10 per cent in line with the cost of living, effective in July of this year, since the increase in wages and salaries has been about 10 per cent this year; and since corporate profits are apparently running about 45 per cent ahead of last year; does the government intend to increase the minimum wage in Ontario from its present rate of $3 an hour? When will that increase take place and by how much?

Hon. Mr. Davis: The minimum wage is not being altered by the province at this particular time.

Mr. Cassidy: After the Premier's compassion for people in medical specialties, who are earning hundreds of thousands of dollars a year in some cases, would the Premier explain why it is that this province has no compassion at all when it comes to the people who do the dirty jobs in this province, who have been earning $3 an hour since January 1979 but whose rate was only $2.65 back in March 1976? While there has been only a 13 per cent increase in the minimum wage since March 1976, at the same time that there has been a 30 per cent increase in the cost of living, why will the government not act now in order to bring the minimum wage somewhat closer to a decent standard for working people in this province?

Hon. Mr. Davis: I thought my answer to the first question was clear in that the member asked if we are contemplating raising the minimum wage at this time. He didn't ask why.

Mr. Mackenzie: Could I then ask as a supplementary of the Premier: could he tell us whether or not he is now telling this House that the minimum wage is no longer an instrument to see a fair distribution of earnings in this province of Ontario?

Hon. Mr. Davis: The answer to that very simply is no, I am not saying that.

ILLEGAL ACTS BY POLICE

Mr. Stong: I have a question of the Solicitor General. In his statement this morning, he indicated he was satisfied there was no direct course taught at the Ontario Police College which would encourage police officers to break the law in conducting investigations.

I wonder if the minister can give his assurance to this House, as a result of the legal maxim quoted by Mr. McGee at that trial that illegally obtained evidence is admissible in court, that not only is no course directly taught, likewise there is no indirect encouragement by path of acquiescence to that legal maxim at the Ontario Police College, which would tend to encourage police officers to use illegal methods to obtain evidence or go on frolics of their own.

Hon. Mr. McMurtry: I know the honourable member is familiar with the Supreme Court of Canada decision in Regina and Wray, which in effect is in support of the statement that was made by Mr. McGee. I think I indicated to the member, though perhaps not during the Solicitor General's estimates, that I was reviewing that portion of the course that is given. I know there are senior officers who review the police college course that is related to evidence, the admissibility of statements and what not, to ensure there isn't that type of encouragement to which the member just referred.

Mr. Warner: Supplementary: I'm wondering if the Attorney General can tell us whether the two police officers sought advice from the crown or from the Attorney General's office prior to the course of action which they took.

Hon. Mr. McMurtry: To my knowledge they did not.

Mrs. Campbell: Supplementary: In reading the evidence given by Mr. McGee, does it seem to the Attorney General that Mr. McGee seems to have confused the issue of illegal admissions and admissions obtained by criminal methods?

Hon. Mr. McMurtry: Certainly the transcript might be interpreted as containing some confusion in that regard.

Mr. Speaker: A final supplementary, the member for Riverdale.

Mr. Renwick: Would the Attorney General put to rest another open-ended matter in connection with his statement this morning? Did Mr. Murphy, the local crown attorney, consult with the Attorney General or with any of his senior law officers on the disposition of the case by way of absolute discharge?

Hon. Mr. McMurtry: No, he did not.

HYDRO RATES

Ms. Gigantes: I have a question of the Premier, in the absence of the Minister of Energy (Mr. Welch). With the Ontario En-

ergy Board about to produce recommendations for changes to Hydro's rate structure, which at the very least will probably recommend that Hydro adopt rates related to time-of-day use, why is the government allowing Ontario Hydro to both pre-empt the Ontario Energy Board report and to begin a three-year stall on implementing province-wide time-of-day pricing, a stall that Hydro's going to effect by two new unscientific time-of-day "experiments"?

Hon. Mr. Davis: I'm not familiar with those particular experiments. I would be delighted to have the Minister of Energy reply to the member during the hopefully brief discussion on concurrence of his ministry's estimates. I will alert him that the member has asked the question so that he will be able to deal with it during that brief discussion.

PREMIER'S MEETING WITH CLAUDE RYAN

Mr. Sweeney: I have a question of the Premier with reference to his meeting with Claude Ryan in Quebec earlier this week. The question is asked in the same spirit of harmony in which I understand the meeting took place. Mr. Ryan is reported to have said: "Mr. Davis' remarks went further than anything the Ontario Premier has been willing to accept in the past." It is also reported that when the Premier was questioned about sufficient numbers being required to supply French language education he responded, "No, that's not necessarily part of it." Could the Premier advise us what those two statements meant? What will they mean for Ontario?

Hon. Mr. Davis: I'm not sure I can, because the discussions really covered a variety of topics related to the production by Mr. Ryan's party of their approach to federation, which paper will be out some time in the early part of the new year. I want to make it very clear, because the press reports may have created an inaccurate impression that I actually saw some of that documentation. I did not, the documentation has not been finalized.

Mr. Peterson: Has Hugh Segal seen it?

Hon. Mr. Davis: No one has seen it, because it isn't finished yet. That will come as a great surprise to the member for London Centre but that, I am informed, is actually correct. I really didn't see any documentation. We covered a number of issues.

Mr. Peterson: My father-in-law has seen it.

Hon. Mr. Davis: I saw the member's father-in-law the other night and he told me he hadn't seen it. But I probably see him more often than the member does.

Mr. Peterson: That's your problem. Don't come here and complain to me about it.

[11:30]

Hon. Mr. Davis: I'm not complaining. He complains to me about the member. That's what I have to suffer through. This is totally irrelevant, I would just assure the honourable member his father-in-law thinks he is all right.

Mr. Sweeney: I am waiting for the answer.

Hon. Mr. Davis: It was the member's colleague who interrupted me. I was trying to give a serious answer.

Mr. Sweeney: I'm still waiting.

Hon. Mr. Davis: All right. We discussed a number of those matters which I am sure the honourable member would expect us to discuss, the question of distribution, the question of declaratory power and all of those things that have been part of the ongoing review of the constitutional process.

What I did say to the press and which I hope I made clear, though it did not emerge in the press report—because it wasn't even a press conference, the press just walked into the room, and properly so, at the conclusion of our discussions—was that in my view the issue that faced us in this province and in this country was total non-acceptance of sovereignty-association, and also a recognition, at least from my standpoint, that the status quo couldn't be maintained either and that there had to be some other alternative. In my view it has to be by constitutional change or reform. I think this is the general direction that the documentation which Mr. Ryan's party will be producing in January will take.

On the question of language, I told the Quebec press, in my view and contrary to the point of view as expressed by most, the best way to deal with some of the rights in relation to language and culture, because I still believe education is fundamental to any discussion of language or culture, is within a constitutional context. This wasn't a new proposal; I mentioned that at the last first ministers' meeting on the constituion. As the member may recall this was not accepted by the other provinces, but I think there was some indication of acceptance by the then Prime Minister.

Simply put, my argument is rather than reciprocal agreements between provinces as advocated by the Premier of Quebec, if we were genuinely concerned about language rights in relation to education then they

should be part of a constitutional change; and while education is without question a provincial responsibility, from my standpoint in terms of principle we would be prepared to have that in any constitutional change. If it is put in with respect to constitutional change, I would suggest it be put in as a matter of principle. The administration is something for which individual provincial jurisdictions have to assume the responsibilty.

I am not optimistic that my point of view will be accepted in other parts of Canada I can't honestly convey that hope to the member opposite. It may be this point of view would be acceptable in terms of the position that may be developed by Mr. Ryan and his colleagues, but I can't answer for that at this moment.

Mr. Sweeney: Supplementary: Given the Premier's reference to constitutional change, what constitutional changes would the Premier recommend or accept that are not now in fact the law of Ontario with respect to language instruction?

Hon. Mr. Davis: I don't think that question can be answered in a simple way. What I have said we would accept in terms of the constitution is the right of a youngster in this province—and this would have to have application right across Canada—to an education in either of the two official languages of Canada. This was the position I took. It was exploratory in terms of the constitutional conference itself.

I would remind the member that people were arguing for unanimity in terms of the amending formula, which meant unanimity in terms of getting constitutional change. There was really no enthusiastic endorsement from any other jurisdiction as I recall, although I may be wrong. Certainly the majority were not in favour of that suggestion.

HIGH-SPEED CAR CHASES

Mr. Germa: I have a question of the Solicitor General. Can the Solicitor General report on the circumstances of a high-speed police chase last Thursday which involved OPP detachments in Parry Sound, Still River, Noelville and Sudbury; a chase which lasted in excess of one hour and that covered over 100 miles of highway; a chase in which vehicles exceeded speeds of 100 miles an hour; and a chase which resulted in damage to three police vehicles and the hospitalization of one OPP constable? Considering the guidelines for high-speed chases which say that the seriousness of the crime should be a consideration, does the minister think that all of this activity was necessary to recover a carton of cigarettes from a 16-year-old kid in a half-ton truck?

Hon. Mr. McMurtry: Mr. Speaker, I am not aware of the matter to which the member has referred. I will ask for a report and will advise him accordingly. During the recess I will be quite happy to communicate the response that I will obtain to the member.

WETLANDS POLICY

Mr. McGuigan: Mr. Speaker, I would like to put a question to the Minister of Natural Resources. Under the Forestry Act, I believe it's order in council 1348-25, dated May 14, 1975, there is authority that a grant may be paid to the owners of managed forests.

Since conservation authorities and others interested in the preservation of the natural environment would like to see that expanded to cover wetlands, would the Minister of Natural Resources consider including wetlands in that order in council?

Hon. Mr. Auld: Mr. Speaker, we are looking at our policy as far as wetlands are concerned. There have been representations made by the Federation of Ontario Naturalists, the Ontario Federation of Anglers and Hunters, and others. We are looking at either that approach or the possibility of a favourable type and lower municipal assessment on that property, or a combination. That's all I can tell him at the moment. It is being actively looked at. I was discussing it with the federation the night before last.

Mr. McGuigan: Supplementary: I am pleased with the minister's answer. To carry out that work, would he consider calling a conference of interested parties who would be able to discuss this matter more thoroughly with him?

Hon. Mr. Auld: I will certainly consider that. I believe, though, that there have been a number of discussions between our staff and various interested organizations perhaps not publicly advertised.

REDHILL CREEK VALLEY

Mr. Mackenzie: Some weeks ago the Minister of the Environment made a commitment that he would personally take a walk through the Redhill Creek Valley before he made any decision and took a recommendation to cabinet. I am wondering if the minister has taken that walk through the valley, and if so if he's brought a recommendation to cabinet on this matter?

Mr. Martel: He took a walk somewhere else.

Hon. Mr. Parrott: I'm afraid I'm getting too much advice from my colleagues on this one, Mr. Speaker. No, I'm not going to sing any appropriate hymns.

If I can turn to the question. No, I have not as yet. I had it scheduled for a Monday morning two weeks ago and it was pouring rain, so I didn't have the opportunity to do so on that occasion. I would say to the member I regret not having done so on that morning but it just wasn't logical to do so. However, I do have something to report on that situation. We have had some meetings that I didn't expect to have on that subject matter. Although I'm not at this minute ready to advise of the outcome of those meetings, in the not-too-distant future I will have something of significance to say and I'll be glad to communicate that to the member prior to the next session.

I can assure the member that I will walk the valley. That is something I intend to do. I will be glad to discuss it with him, say in the month of January.

Mr. Mackenzie: Supplementary: The second part of the question was that the minister had said he would take the walk before he made a recommendation to cabinet. Has he made a recommendation to cabinet?

Hon. Mr. Parrott: No, indeed I have not. Without going further at this minute, I am pleased with the progress of the discussions I had on the subject matter. I think there has been real accomplishment. I would certainly like to conclude that discussion, plus make the visitation as promised before I recommend anything to cabinet. I certainly will not be doing so until I have done both of those things.

UNEMPLOYMENT IN ST. CATHARINES

Mr. Bradley: I have a question for the Minister of Community and Social Services. Considering the fact that in the Niagara region we have a large number of people on the welfare rolls and that those people are in the category of employable and many of them are young people; and considering the fact that the number of people on the welfare rolls in the city of St. Catharines is the highest in history; has the minister spoken to his cabinet colleagues, specifically the Treasurer (Mr. F. S. Miller), to persuade him to take any specific action which would alleviate the unemployment for the people in those specific categories; thus reducing the cost to his ministry, and more important the cost in human terms to the people who are directly affected?

Hon. Mr. Norton: Mr. Speaker, as the honourable member knows, there are a number of programs that my colleagues in both Treasury and in the Ministry of Industry and Tourism are operating across this province to stimulate employment in communities everywhere, not specifically restricted to any one area. Those programs are developing, as I understand it, very well. I think members have on a number of occasions in this House heard my colleagues who are more knowledgeable in these programs than I, respond and indicate their impact in the creation of employment.

With respect to the specific individuals who may be temporarily out of work and in receipt of general welfare assistance in the member's community; no, I have not gone to them with a specific proposal for the creation of jobs for a restricted group of individuals.

I do think it is important to bear in mind that there are indications of higher levels of dependency or need of temporary welfare assistance in some communities, but this is not general across the province. I think I can still assure the member that the average length of time an employable person in this province is in receipt of general welfare assistance varies from season to season, but it rarely exceeds two and one half or three months at the most.

So it would appear that in spite of the fact there are periods of higher levels of dependency or of need, that it is not a chronic problem of an overwhelming majority of those persons. They may well be between employment opportunities, moving from one job to another and in need of some temporary assistance. There is no indication at this point that the employable persons who are there for a short term are in need of a major job creation program.

Mr. Bradley: Supplementary, to the Minister of Government Services: In light of the answer given by the Minister of Community and Social Services, is this minister undertaking to move up the starting dates of any projects within the Niagara region to assist the construction industry and thereby assist all of business in the Niagara Peninsula, creating these new jobs that might alleviate the problem that exists there? Is he contemplating moving up the timetable on any projects in the Niagara region?

Hon. Mr. Wiseman: I would have to look into that, Mr. Speaker. I'm afraid that during the first part of the question I was talking to my colleague to my right, but we will look into that.

[11:45]

FACILITIES FOR THE HANDICAPPED

Mr. R. F. Johnston: I have a question of the Minister of Culture and Recreation concerning the rights of the handicapped as they relate to his ministry. What is the minister willing to do to guarantee that all community centres, art galleries, arenas and other buildings built with Wintario funds are made fully accessible to handicapped people?

Hon. Mr. Baetz: Mr. Speaker, as I am sure the honourable member opposite knows, Wintario so far has done a great deal to build facilities which are very accessible to the handicapped—recreation centres, theatres and so forth.

Obviously there is a tremendous backlog in this, but we are working at it. As I at least hope and assume he knows, we do not require the matching funds when we finance through Wintario to build facilities for the handicapped. I really don't think we can move much faster than we're moving at the present time, but certainly we're committed.

The latest example of this is in the magnificent new Massey Hall that is under construction here in Toronto. We have notified the architects and the people who are leading the project that we are prepared to finance fully—we don't expect matching funds—the facilities that will make it possible for the handicapped to fully participate in that wonderful new centre.

Mr. R. F. Johnston: Having no requirement for matching funds is welcome, and I didn't know that was in the policy. However, is the minister not aware that under regulation 5.2 of the Ontario Building Code Act, which regulates the types of structures which I mentioned as being built with Wintario funds, it does not require elevators to be installed in multi-story facilities? Will the minister not ensure that all new facilities are made fully accessible; will he not change his existing policy, which as I understand it does not provide for supplemental grants to groups which did not make provisions for full accessibility, whether they are already in the building stage or just in the planning stage? I have an example of a group of citizens in Douro township who now wish to make their building fully accessible and are being told that supplementary grants will not be made available to them.

Hon. Mr. Baetz: Mr. Speaker, I'll look into the specific cases referred to, but I simply want to reiterate our basic policy. That is we are determined to provide facilities for the handicapped to make accessibility to all of these buildings more possible. I will look into the specific case to which the member has referred. Our policy on the matter is quite clear.

PROTECTED ENVIRONMENTAL AREA

Mr. G. I. Miller: Mr. Speaker, I have a question of the Minister of Natural Resources. The question concerns the Oneida crushed stone owned by King Paving and Materials in the town of Haldimand, and the 47 acres that were set aside to protect the 22 rare species of plants and trees. According to an article in the Toronto Sun by Dr. Morton Shulman this is not being carried out. I wonder if the minister would care to comment. Are they protected, as agreed in the hearing before the Ontario Municipal Board?

Hon. Mr. Auld: Mr. Speaker, I think I have some notes on that. I guess I left them in the office, the article was printed some time ago. I would have to say that Dr. Shulman was somewhat inaccurate in his article.

Unfortunately, I don't have the statistical details which would refute his statements with me.

However, I will be delighted to send the honourable member a letter indicating where Dr. Shulman was incorrect. I had debated about writing a letter to the editor and decided that it would be too lengthy. I had hoped somebody would ask me about it.

The 47 acres, as I recall, are fenced. They are fenced to keep people other than those who appreciate the trees, and so on, from damaging them.

The Oriskany sandstone deposit that contains the fossils Dr. Shulman is writing about covers only part of the area. That sandstone stands over hundreds of acres of the whole district, far outside the pit, and it's untouched in much of that surrounding area. He indicated that the dolostone is not available throughout the entire country.

Actually, it underlies most of southwestern Ontario but there are only a few locations where it is potentially accessible for mining purposes. Other factors preclude mining in other areas.

That 47 acre environmental protection area does include the oak hickory forest and the rare plants. Dr. Shulman said it did not. In fact, the area was enlarged on the recommendation of the consultant to King Paving to include a better representation of the forest. According to the consultant, the protected area is the best example of the forest and sandstone.

Dr. Shulman's article implied a contradiction. His first statement refers to an assessment of all pertinent matters, which the ministry does in considering a licence appli-

cation in accordance with the provisions of the Pits and Quarries Control Act.

The second reference is to a prepared or published independent environmental study, which the ministry does not do and is not required under the Environmental Protection Act.

I have another page here, but I was trying to shorten it a bit.

I think those are the most important corrections to make. I'll send the rest of the material to the member.

Mr. Speaker: The time for oral questions has expired; right now.

PETITION

SPECIAL LICENCE FEE

Mr. Conway: Mr. Speaker, on behalf of the good people of Deux-Rivieres in the northeastern part of the county of Renfrew, I beg leave to present a petition to the government of Ontario calling for an immediate end of the unfair discrimination against them in so far as the flexible northern licence fee is concerned; and asking the government of Ontario to give the people of the northern part of the county of Renfrew the due that was given to the people of Parry Sound, Muskoka and the far north some months ago; and asking for the immediate implementation of the special licence fee for the good people of Deux-Rivieres in the northeastern part of the great county of Renfrew.

REPORT

STANDING PUBLIC ACCOUNTS COMMITTEE

Mr. T. P. Reid from the standing public accounts committee presented a final report and moved its adoption.

Mr. T. P. Reid: I just tabled the final report of the standing public accounts committee. I hope it might be included in that great raft of other reports that we might be able to debate in the new session.

The report itself is in a somewhat different format. I hope it will be of great interest to all citizens of Ontario, and particularly of course the government.

On motion by Mr. T. P. Reid the debate was adjourned.

MOTIONS

COMMITTEE SUBSTITUTIONS

Hon. Mr. Wells moved that the following substitutions be made on committees: Mr. Kennedy for Mr. G. E. Smith on the members' services committee; Mr. Kennedy for Mr. Handleman, Mr. M. N. Davison for Mr. Germa and Mr. Ziemba for Mr. Isaacs on the public accounts committee; Mr. J. Johnson (Wellington-Dufferin-Peel) for Mr. Yakabuski, Mr. Grande for Ms. Gigantes and Mr. Isaacs for Ms. Bryden on the resources development committee; Mr. Kerr for Mr. Ashe, Mr. Ramsay for Mr. Hennessy, Mr. Rowe for Mr. Hodgson, Mr. Sterling for Mr. Smith, Mr. M. Davidson (Cambridge) for Mr. Samis, Mr. Bounsall for Mr. Laughren and Mr. McClellan for Mr. Dukszta on the general government committee; Mr. G. Taylor (Simcoe Centre) for Mr. Handleman on the select committee on company law and Mr. Kerrio for Mr. Nixon on the select committee on Ontario Hydro affairs.

Motion agreed to.

SELECT COMMITTEE ON ONTARIO HYDRO AFFAIRS

Hon. Mr. Wells moved that Mr. Martel be substituted for Mr. Foulds on the select committee for Hydro affairs from January 23, but upon the receipt of a written application by Mr. Foulds to the Clerk of the House, Mr. Foulds will be substituted for Mr. Martel.

Motion agreed to.

INTRODUCTION OF BILLS

MUNICIPAL OMBUDSMAN ACT

Mr. Isaacs moved first reading of Bill 211, An Act to provide for an Ombudsman to investigate Administrative Decisions and Acts of Officials of Municipal Governments and Their Agencies.

Motion agreed to.

Mr. Isaacs: Mr. Speaker, the purpose of the bill is to establish the office of municipal ombudsman.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 377, 396 and 401 standing on the Notice Paper. (See appendix A, page 5871.)

ORDERS OF THE DAY

WORKMEN'S COMPENSATION AMENDMENT ACT

Hon. Mr. Elgie moved second reading of Bill 209, An Act to amend the Workmen's Compensation Act.

Hon. Mr. Elgie: Mr. Speaker, I made a statement yesterday on the bill; I don't have anything to add to that.

Mr. S. Smith: Mr. Speaker, we are certainly pleased that the minister and his reindeer have arrived on the rooftop in the nick of time with their seasonal bounty; I could even say in the St. Nick of time.

Mr. Laughren: His elves were there too.

Mr. S. Smith: His elves were there too indeed, I have no doubt.

Mr. Foulds: The biggest elves I have ever seen.

Mr. S. Smith: I am pleased this seasonal bounty has arrived at this particular period of time. I feel in general terms this bill is certainly worthy of our support. My concern, if I may express it, has for some time now been the subject of the ceilings which have applied with regard to workmen's compensation benefits.

You may remember, Mr. Speaker, that the previous Minister of Labour told this House there was a 25 per cent increase in the benefits the last time a bill of this kind was introduced. She said to this House that represented an 11 per cent increase for three years earlier, an eight per cent increase for two years earlier and a six per cent increase for the year in question. You will recall that very clearly, Mr. Speaker.

Pensioners across this province were led to believe, therefore, that they would receive a 25 per cent increase in their pension. One can imagine the dismay of many hundreds and many thousands of pensioners when they discovered that because they were already at the ceiling, that the ceiling had not been increased for the first two of those three years to which the bill applied, that they therefore did not receive a 25 cent increase but merely an increase for the current year, which amounted to six per cent and has now retroactively been increased to eight per cent.

[12:00]

Consequently, what happened was a deliberate change in the policy of the board and of the government whereby people who were already at the ceiling did not receive the increase, although this House was never clearly told those people would, unlike all other recipients, not be receiving the 25 per cent increase.

I was in constant discussion at the time with the minister—constant is too strong a word, but I was in discussion with her—I remember a discussion with her in the corridor at one time when I asked her whether all people would be receiving that percentage. I was assured they would be. I had a very difficult time explaining to my constituents they were not getting the 25 per cent merely because they were at the ceiling.

Lest one think being at the ceiling is some kind of situation of great wealth, let me point out that the opposite is true. For a person earning $20,000, for instance, if the ceiling were $15,000, one would still take 75 per cent of that as the base. If the individual had a 30 per cent disability it didn't amount to very much in real terms in these difficult and inflationary times.

Basically what happened, in simple words, was that the former Minister of Labour came into this House, presented what purported to be a 25 per cent increase and it was not. It was not for those people who were at the ceiling, but we didn't discover that until later on. It was a very unfortunate time. The board had changed the policy without the House ever having had a chance to discuss it properly.

Now another increase is taking place and the question is are we going to increase those ceilings to a degree greater than the increase given to all other people so as to make up for the time the people at the ceiling were deprived of what was their rightful benefit?

Members will understand that the rate of benefit and the ceiling itself must bear some relationship to the going industrial wage. The relationship was a certain ratio before 1975, and there is a certain ratio introduced after the increases announced a year or two ago. The net result was that that ratio went down drastically. Now the problem is we have, little by little, to get that ratio back up where it belongs.

It is hard to know where it belongs. Obviously if the ratio and ceiling are too high, there may be introduced into the plan a positive disincentive to work. Nobody wants to see that, but until we see some evidence there is a ratio which is the correct ratio, then we have to believe the situation as it existed in 1975 was reasonable and a ratio that exists in certain other provinces is reasonable; and that is up somewhere around 150 per cent of the wage index that the ceiling would represent.

There are provinces where that is the case. If the minister has evidence that ratio is a positive disincentive to work then he should present that evidence. He will quote from the recent report, the Wyatt report, which says at 150 per cent you are being humane, but at 125 per cent you are being economic, roughly speaking.

It's all very well to speak of being economic versus humane, but we in the Legislature

have to be a little of both, I would suggest. Therefore we ought to have an intelligent discussion at some point as to what that ratio should be. We should be presented with figures indicating the taxation situation in Ontario, which may be very different from that of other provinces. We have to be presented with figures indicating any of the various forces that are part of the interplay which determines at what point a benefit becomes a disincentive to work.

We are prepared to listen to that. We understand the need to have a work incentive. We also understand that the funds for paying these benefits come from the businesses of Ontario and we are very concerned about the charges made on business people, particularly the small businesses, as a consequence of that. So we're prepared to be fair, but we do insist on having some reasonable and rational explanation as to the adoption of a certain ratio between the ceiling in the Workmen's Compensation Board benefits and the industrial wage. It's not good enough to say that some report suggested it. What's the reasoning behind it? Show us the figures and then we'll have much more confidence.

This minister is now prepared, possibly as a result of a number of letters which I have written to him and certain communication as a consequence of these letters, to increase the ceilings more than the benefits themselves are being increased.

I welcome that. I welcome that as a sign of understanding on the part of the minister, a willingness to show a certain flexibility and good will, and possibly even as a response—and I believe it was a response—to the communications I have sent him from time to time. I am pleased with that.

The minister, however, will accept that we are certainly not yet back to the ratio that existed in 1975. I am prepared to accept this bill for now as far as it goes, and to thank the minister for what I perceive to be a response to our communication whereby he is at least addressing the question of ceilings, attempting to get the ceilings back up and admitting that those who are at the top, at the ceiling—and as I say, that's not a princely income let me assure you—will get more of an increase than those who are not at the ceiling; just as a few years ago they got less of an increase than those who were in the middle somewhere.

All I can say is they still haven't made up the deficit which is a consequence of that change in policy a year or so ago, but at least they've moved in that direction. After all, if a government in a minority situation makes a reasonable move in a direction which one has asked them to take, then it's reasonable for the opposition to accept and to support such a move, even to welcome it, while at the same time pointing out there's room for more movement which ought to occur.

If the minister feels that additional movement should not happen, I hope he will, perhaps by letter or whatever over the break, give me the factual basis upon which he made the decision not to move further in repairing the damage done to this ceiling by the previous Minister of Labour. I therefore ask that if he has figures to explain why $18,500 is appropriate as opposed to $19,500 or any other number, he share those figures with me. If he can't do so at this moment in the House in view of time, perhaps he would do so by letter on some other occasion.

Apart from that I think the minister is being quite reasonable in these benefits. I hope it's a consequence of communication he has received from me and other members on all sides. I hope part of his reasonable attitude reflects some of that relationship. In any event, I think his bill is a reasonable bill deserving of support. I just want to draw the attention of the Legislature to the question of ceilings, to welcome the fact that some move has been made to restore what was lost last time, to suggest that a greater move is still necessary and that we would be willing to look at any figures the minister might have to indicate why, in his view, moving to a greater ceiling at this time is still unwise.

So basically, Mr. Speaker, we think it's a good bill. We welcome it. We simply draw that particular matter to the minister's attention, and to the attention of members of the Legislature, so that we never again have what happened under the previous minister, a very important policy change without it being flagged for discussion in this House, or even for private discussion outside this House. I was very disappointed with the attitude of the previous minister. The present minister is certainly a welcome change in that regard.

Mr. M. Davidson: We in the New Democratic Party welcome the legislation that has been presented to us with regard to amending the Workmen's Compensation Act. I suggest that by opening up an amendment to the compensation act, one could probably stand here and discuss the whole act. I have no intention of doing that, let me assure you, Mr. Speaker, although some of my colleagues may during their discussion of this bill. As the minister is well aware, we too, in going over the bill, felt there were certain

areas where we would like to place amendments. However, having spoken to the minister through our House leader we have been given certain assurances that our concerns will be looked after in any event, either through the presentation of the white paper or what comes out of it. If by next fall nothing has emerged from the white paper, certain sections will again be placed before this House in order to allow amendments particularly, I believe, involving temporary total disability.

We also welcome the fact that the minister has taken a step in bringing to the injured workers of this province some retroactivity to make up for the inequities that existed in the last adjustment made by the then minister. I can understand that happening because it is my personal belief this minister has much more compassion for the injured workers of the province than the previous minister ever indicated. I can well see why it would be that this minister would want to put in those increases that she neglected or failed to do.

We are a little concerned, however, about the timing of this bill and the timing of placing it before the Legislature. Had the minister walked in today dressed up in a Santa Claus suit with a bag over his shoulder, I can assure him we would have placed the amendments we had discussed with him. Given that he did not, and recognizing full well that the injured workers of this province are in vital need of these increases at this time, we did not in any way want to do anything that could very well cause the bill not to pass prior to the House adjourning.

For these reasons, we will withhold any amendments that may have caused that to happen. We do have one minor one which will be placed, with which I think the minister would agree. It is just a slight word change. As the bill was brought in at a time when the House was winding down, so to say, for the winter break, it really did not afford this House the opportunity to go fully into the situation as it exists. We are certainly not placing the blame on the minister per se, but we have faced this not only on this occasion with this bill, but on numerous other occasions.

I refer back to last fall when we were doing Bill 70 and a very similar situation existed. It appears that each and every time major legislation of this type comes before the House, it is brought in one or two days before the House adjourns. That really does not give the opposition, be it the New Democratic Party or the Liberal Party, the opportunity to scrutinize fully the bill and place any amendments which we feel may be necessary at that time.

Having said that, as I said, we welcome the fact that the minister has brought this bill forward, knowing that the injured workers of this province have waited for quite some time. I might say if there is any credit—and I noted the leader of the official opposition attempted to take some credit for being partially responsible—it is only fair to suggest that one of the reasons this bill did come forward and one of the reasons it contained some of the increases it does, is because of the questions that have been raised in this Legislature by the members for Bellwoods (Mr. McClellan) and Dovercourt (Mr. Lupusella) and various other members who have an interest in and concern about the injured workers of this province. They have on many occasions questioned the minister and the government as to when they would be bringing forward amendments to the pension section of the act. As a result of that, we now have the bill which is before us.

[12:15]

One of the things that also concerns us, as a party, is the ceiling level. I understand that will be referred to through the white paper and will be discussed and probably put into a new bill, if and when this white paper is ever looked at by the committee the minister is proposing to put forward. Hopefully, that will be done and legislation will be prepared and available as early as next fall or earlier than that, if possible.

I would like to go back. This party has always been concerned about the ceilings that exist. Back in April, 1978, I believe, the member for Nickel Belt (Mr. Laughren), through a private member's bill, attempted to amend the Workmen's Compensation Act. While part of that amendment related to other matters, a part dealt with the ceiling levels. He attempted at that time to have placed in the act a mechanism whereby the ceiling levels would automatically be adjusted. I would like to read that amendment.

"The board shall, as soon as possible after September 1 in each year, review the wages and salaries earned by workers who suffered injury and to whom compensation was paid during the preceding year. Whenever such review indicates that 10 per cent or more of such workers were earning in excess of the maximum wage rate at the time of such review, the board shall, by order, increase such maximum wage rate for accidents occurring on and after the first day of the succeeding calendar year by the appropriate

number of increments of $1,000 as is sufficent to reduce the number of workers whose salaries exceed the maximum wage rate below 10 per cent of the workers who suffered injury and to whom compensation was paid during the period under review."

That was the member for Nickel Belt's attempt to bring some sanity, if one wants to call it that, into the ceiling levels as they exist in the act. Unfortunately, as is true in most cases, his private member's bill with his amendment to the act was not accepted. Had it been, it could very well be that the ceiling in today's bill might not have been necessary because it could very well have been, following that method of adjustment, that the level at the present time might be in excess of $20,000.

I can't and we as a party can't understand, since the minister has taken the move to increase it over the 10 per cent, why he has not taken the final step and made that adjustment up the $20,000 level. Even at that, in Ontario that ceiling would be relatively low. He has now placed it at $18,500. We're prepared to accept that because we want to see this bill go through. Perhaps he could explain to us why he did not take that final step and go up to at least the $20,000-mark, such as exists in Saskatchewan and Quebec, I believe.

The other area of concern we have is that even though in this bill he has filled in the inequities that existed from the last bill and added 10 per cent on top, the temporary disability section still does not really fill the gap that was evident from 1975 to 1978. My understanding is an adjustment was made in 1975, but no adjustment was made for those people in 1978.

If this is an income maintenance measure, then that group of people is still behind what they should have had over that period of time. I don't know whether the minister has looked at that or whether he feels that 10 per cent is enough to cover that, but that was a concern of ours and one area where we were considering moving an amendment. As I said, we are more interested in getting this bill through because we do believe it is an excellent bill in terms of bringing to the injured workers of this province some immediate income that they have been deprived of for far too long. I would seriously hope in the future, after discussion on the white paper has taken place and possibly new legislation has emerged from that, we would never again have to find ourselves in the situation where every now and then we have to pressure the government through questions, letters and various other means, to bring forward the necessary adjustments in order that these injured workers in the province can maintain the cost of living which they, as well as everyone else, have to face day by day.

It's all well and good for those of us in the Legislature to adjust our own rates of salary on occasion in trying to keep up with the cost of living. I just question why it is we don't move as quickly to do the same thing for the injured workers who don't have the opportunity to do it for themselves.

We welcome the bill. As I say, we look upon it as being something the injured workers deserve and for which they have waited far too long. We're prepared to accept it. A number of my colleagues will be speaking on some very specific sections of the bill itself and to other areas, ways and means of which perhaps you could take note. We think these could make not only a better method of increasing the pensions and the levels of earnings to the injured workers, but also make the act and the Ontario Workmen's Compensation Board itself more meaningful.

Mr. Haggerty: Mr. Speaker, I want to address myself to Bill 209, An Act to amend the Workmen's Compensation Act. I suppose I'd have to follow the almost similar comments of the two previous speakers. Like other members, I will express my disappointment at the minister bringing in a bill of such importance at such a late date in the workings of this session, almost the day of adjournment of the Legislature. I feel he should have provided the members with more ample time to digest and to review the contents of an important bill like this.

We can agree with the amendments that are long overdue in bringing increases in benefits that apply under the Workmen's Compensation Act, particularly for those who are on the receiving end, the injured workers. But if I were to go through the bill I could find fault after fault.

I thought this minister had shown some compassion for the injured workers in Ontario, but after reviewing the bill and taking a little closer look at it in the short time made available to members, I find the minister has shown little compassion towards a number of the injured workers. One of the things that bothers me most in this bill is that the legislation only goes back to 1970. Nothing goes beyond that level for those persons who have been injured for some 15 or 20 years and are living on meagre pensions from the Workmen's Compensation Board.

We wouldn't have to be coming in at the last minute of the Legislature here for amendments to the bill if the minister would con-

sider indexing the benefits to the injured workers.

By indexing I mean that we wouldn't have to have an amendment every year. It would be indexed as for any other employee in the province. I suggest the minister should be looking at this area.

When I look at section 1(1) of the act, the explanatory note says, "Under clause (a), the burial allowance is increased from $800 to $1,000." I'm sure that the minister and the board members of the Workmen's Compensation Board know full well that $1,000 isn't enough to cover the burial costs for an industrial worker who dies as a result of his work. I suggest the minister should be paralleling this section with the Canada Pension Plan so between the two of them there are sufficient funds to cover the burial costs.

I notice too that the minister's going to give a small pension increase to dependent widows. The more I look at it closely—$365 to $410 a month—the more I realize it will not even cover the payments on the purchase of a new home, if one considers the high interest rates and so on. The minister is giving them nothing there. If a widow has to carry on the mortgage payments on a home, I suggest it doesn't go far enough.

There are other areas our leader has mentioned. It was suggested by the previous member that the maximum should be raised to $20,000. I think that's an area that should be looked at. If we look at the $18,500 that's suggested in the bill, that represents about 130 per cent of the average annual wage. I suppose, if a person is injured and only gets 75 per cent of that—looking down and grasping for figures here—he's actually only getting 50 per cent of what he would be earning. I suggest these are the areas the minister and the board should be looking at.

Again, I would have to say, since there has been such short notice, there's another area that perhaps I should bring to the minister's attention. It's under section 3, which applies to section 41a of the act. It gives discretion to the board to increase temporary payments. Perhaps this section should be mandatory. I understand the minister has an amendment there. It now says: "Where the employee is not working and is in receipt of temporary disability benefits and has continuously received temporary disability benefits for the immediately preceding 12 months, the board may . . ."

I understand the minister may have an amendment there that would change it to "shall adjust the rate of compensation being paid by adding thereto an additional 10 per cent compensation rate being paid but the compensation rate so adjusted shall not exceed the maximum established by sections 39 and 44."

I don't know what adjustments will be made for those persons who were injured before 1978, whether there will be an increase or not. Perhaps the minister can give us an instance showing that these persons will be receiving additional benefits. If not, then I'm going to suggest to the minister that instead of those persons going on welfare—in many cases they have to if they've had an accident prior to 1978 or 1979—we should be looking to the consolidated revenue fund to assist those persons and if he can't generate the funds through the Workmen's Compensation Act. That relates the assessment to the industries.

I suggest these are the areas we should be looking at. I thought perhaps the Wyatt report would have suggested some of these so there would be additional funds for those persons injured 10, 15 or 20 years ago. Their salaries at that time would have been $95 to $150 a week. I'll tell you, Mr. Speaker, when you're on a permanent partial disability which rates at 10 or 30 per cent, that's $80 a month. You can't survive on that. I'm sure the minister and the Workmen's Compensation Board know that many of these persons in this grey area will never be employed again in industry in Ontario. They have difficulties.

Although it is an increase of 10 per cent for those who've been injured in 1978 or 1979, and we welcome this, I'll tell you, Mr. Speaker, it doesn't go far enough. I would hope the minister had something for those injured workers in that grey area. This is the area that really needs assistance. With the inflation over the last number of years and the high cost of living, a pension of $80 a month, $150, $186—anything in that area, anything below $450 a month—just isn't sufficient for those persons who have had severe injuries in the last number of years.

I just wish there was time for a bill like this to go to a committee of the Legislature so we could go into it in more detail, but with the late hours of this Legislature we don't have time. It seems to be a normal practice of the Minister of Labour to bring in important bills such as this in the late hours of a session of Parliament. This should never be.

[12:30]

There were questions raised in the House last year by a number of persons on the opposition side, "When are you going to bring in an increase?" We thought it would

be coming in July, but in the late hours of this session, what can one add to it? We have to go with what the minister and the board have suggested in the act, whether it is sufficient or not. It is not sufficient in certain areas and I suggest to the minister I am rather disappointed at this stage that there is not sufficient funding for those who were injured a number of years ago.

With those comments, as much as I regret it, I have to support the bill.

Mr. McClellan: Mr. Speaker, I too want to rise in support of Bill 209 and, in doing so, express a number of concerns raised already.

In summary, we do not like receiving the bill on such short notice. It makes it almost impossible for us adequately to assess even the content of the bill, let alone to have any kind of meaningful discussions with constituents affected by the provisions of the bill. To the minister, I hope this is the last time we are confronted with a couple of days of discussion. I appreciate the consultation process that took place, but still there is not enough time for opposition to do its job to assess a bill when we are given a couple of days in total with a deadline of prorogation hopefully today. There is not time even to assess what the minister has done here in the light of the Wyatt report, let alone consultations outside.

Surely the time has finally arrived—and I hope the white paper will provide the opportunity for us—to move away from these ad hoc political, with a small "p," increases. It is totally inappropriate for the Legislature to be adjusting the rates of workmen's compensation on the whim of either the minister or the cabinet or whatever. Surely we can devise an automatic indexing system that can be built into the legislation so injured workers will not have to suffer a deterioration of their purchasing power for some prolonged period of time until finally this Legislature gets around to redressing the injustice.

We will insist when the act is reviewed there be some automatic cost of living mechanism in the legislation and, second, some provision for an automatic increase in the earnings ceiling, perhaps along the lines of the amendment from my colleague from Nickel Belt, or if we can devise a better system, fine. But we will insist we end this process of ad hockery. The reason I want it in the bill is because it is inevitable that there are long delays between increases and injured workers are suffering, and suffering severely, from the loss of purchasing power during a period of high inflation. That inflation is going to continue into the indefinite future and it is now a matter of real urgency that we amend the legislation to provide for automatic increases.

There was a reference made earlier to Santa Claus and to Christmas gifts. Ho, ho, ho, yourself, Santa Claus in a blue suit. There are some problems with the minister's Christmas gift. I will concede that for the majority of injured workers, either on permanent or on temporary benefits, these increases appear to restore lost purchasing power from the time of the last increase. That is the basis of our support: this bill does appear to restore adequately the loss of the value of the dollar as a result of inflation from the period of July 1978 to date.

It does not, however, adjust the base. Because of the way the base for many injured workers is calculated, on the basis of 75 per cent of gross to the earnings ceiling, it does not restore the inadequacy of the base. So when we get to looking at a revision of the act we will want to deal with that question. We have made suggestions in the past that it would be more equitable to move to a system of net income in order to protect low- and middle-income workers from what appears to be an unfair discrimination on the basis of the present legislation, so we hope the minister is receptive to moving away from the present computation of the base for pension awards and to a system that is more equitable, particularly for low-income workers.

There are categories of people who remain at a disadvantage even with these increases. Reference has already been made that the earnings ceiling is not adjusted retroactively so persons who are on pensions from a considerable period of time in the past never really have achieved the kind of catch-up that a worker who is injured more recently would have been able to achieve under the most recent changes to benefit levels. The minister just cannot pretend that we can perpetually ignore people who have been pensioned off in the 1960s or even in the 1950s when wages were considerably lower and prices were infinitely lower than they are today and therefore the earnings base was much lower, so people are living on grossly inadequate amounts of money and have remained ineligible for the increases.

There is another category of people not helped by these increases. People who have been on temporary total disability benefits continuously for more than 12 months are, in our understanding, not entitled to retroactivity beyond 12 months. I do not know how many people there are in the province who have been on temporary total disability for more than a year; it is probably a relatively small

group. But from discussions with my colleagues I am aware of cases of people who have been injured, in some instances four or five years ago. Their physical condition, their medical condition has not yet stabilized; they are still undergoing operations at regular intervals because of the seriousness of their injuries and yet they are not entitled to an adjustment.

One of the real disappointments I have with the time pressure is that we do not have a chance to try to deal with that continued inequity. And it is an inequity. Perhaps the minister can ask his staff if it can come up with the determination as to how many temporary total disability claimants we are talking about who have been in continuous receipt of temporary total disability benefits for more than 12 months and see whether there is a way of including them in the increase. Their living costs are just as real as yours and mine, Mr. Speaker, and the erosion of their purchasing power is infinitely worse than anything we will ever experience in our lives. Surely they are entitled to a full adjustment.

The reason I am stressing this is because in the past this group has been excluded entirely from the increase. They have never had the catch-up other groups have had. They remain outside the provisions of the catch-up in this bill today.

Moving to another point, we have in the past expressed in the strongest possible terms our anger and dismay at the level of benefits provided to widows and dependent children. We are pleased that the minister has chosen to raise, once again, the rates for dependent widows and dependent children, but I want to point out something to him. The entitlement of a widow with two children under 16, under the new rates, the rates effective July 1, 1979, would be by my calculation an annual income of $7,708. I remind the minister that the poverty line in a city the size of Toronto as of June 1978 for a family of three persons—and this is the Statistics Canada revised poverty line which is the lowest of all poverty lines used in this country—is $8,977, or almost $9,000 a year.

I am fully aware that some families in this group we are talking about, widows and dependent children, would be covered by Canada Pension benefits. I am also aware that others are not. One of the problems we have in dealing with the Workmen's Compensation Board is the total inadequacy of their statistical data base. Even the minister's own advisory council on occupational health and safety has talked about the lack of an adequate data base. We do not know how many widows and dependent children on workmen's compensation are also in receipt of Canada Pension Plan benefits, or how many are trying to live at a subpoverty level on workmen's compensation benefits alone. I suspect there are still a fair number of widows and dependent children on workmen's compensation who are not eligible for Canada Pension Plan, who are not eligible for family benefits allowance and will be still living below the poverty line, despite the increases being brought before us again today.

That is something we are going to have to look at and try to adjust when we get the opportunity to have the whole bill in front of us and have some hearings in the appropriate forum here in the Legislature. We cannot, we simply cannot permit the families of workers who are killed as a result of a work accident to live at a level below the poverty line. I am anxious to hear the minister provide us with the statistical material, which we still do not have, and to tell us how many widows and dependent children, how many members of families of workers who have been killed on the job are still without Canada Pension Plan coverage and are still living below the poverty line. I want that figure as quickly as he can persuade the Workmen's Compensation Board to get it to him and I know how long that takes.

The minister has prepared a white paper on the Workmen's Compensation Board. It is entitled, Current Concerns. I am still thinking seriously of introducing an omnibus concern bill for the benefit of the Minister of Labour.

Mr. Deputy Speaker: Would that affect this bill?

Mr. McClellan: Yes, it would. It would require the Minister of Labour to stop using the word "concern." I want to just point out that he uses the word "concern" 12 times in the first page and eight times on the second page. He uses the word "concern" 41 times during the white paper.

Hon. Mr. Elgie: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: I do not think there is anything out of order.

Hon. Mr. Elgie: It is not my white paper, Mr. Speaker. It is the paper prepared and presented to me by the board and I was in receipt of it at the same time as the member. That is a point of privilege.

Mr. McClellan: He uses the word "they," the nameless authors, who obviously have read into the mind of the Minister of Labour his predilection for this most overworked word, 42 times. They use the word 42 times in the course of the document. They use it as

a noun, they use it as a verb, they use it as an adjective, they use it as a preposition. Please, I'll buy the minister a thesaurus for Christmas.

Hon. Mr. Elgie: Promises, promises.

Mr. McClellan: I'll keep this promise.

I don't want to deal with the white paper at this point, but I want to conclude by coming back to a fundamental point this party has made continually over the last decade and that is, we cannot tinker with the Workmen's Compensation Act and achieve justice for injured workers.

Mr. Kerrio: Tinkers are in the six per cent bracket.

Mr. McClellan: We are going to have to bite the bullet and bring in fundamental reforms which will see the replacement of this act and a number of other social security programs with a small number of comprehensive income-maintenance measures. We will continue to push for the introduction of universal accident and illness insurance.

I've had the advantage of seeing a copy of a social security paper prepared by a federal-provincial income security task force which has detailed and documented the tremendous number of income-security programs across this country. There are in excess of 80 separate income-maintenance programs in this country. They are contradictory; they are overlapping one another. All of us who run constituency offices as MPPs know that citizens are totally incapable of understanding the hotchpotch of income security programs that we have in this country.

Secondly, we know as MPPs that even when taken together, all of these 80 separate programs—some 17 or 18 of which affect residents of Ontario—are still incapable of providing dependent people with an income which is above the poverty line. That is because of their fragmentation and their lack of rationality or coherence. We all know we have the impossible job of talking to the family of an injured worker and trying to put together an income package from any of seven or eight different programs.

It's bad enough having to deal with the bureaucracy of the Workmen's Compensation Board as it tries to determine fault, blame and whether or not an individual worker is entitled to payment, regardless of the fact that he's obviously disabled. The issue there isn't disability, the issue is the cause of disability and the relationship of the cause of disability to his pension level. So we have to deal with that. We have to deal with the Canada Pension Plan. If he's elderly, we have to deal with any of the four public social-security programs for elderly people. We have to deal with family benefits and all its myriad bureaucracies. We have to deal with general welfare assistance. We have to deal with the various tax credit programs, the property tax rebate and the sales tax credit program. It's a morass of red tape and bureaucracy that tangles up the average citizen. He has to have a crash course in government red tape in order to try to even discover the existence of the programs, let alone understand how to wend his way through the various bureaucracies to acquire the services to which you ought to be entitled as a citizen as a matter of right.

Why do we in this country insist in putting people through such a rat's maze of irrational bureaucracy? That's exactly what we do. An injured worker who comes to my office comes there because the services and the programs are utterly incomprehensible. After four years I think I understand a little bit about how the bureaucracy works, but I know I haven't achieved my doctorate yet in Workmen's Compensation Board bureaucracy, let alone my doctorate in all of the other 17 or 18 programs. When we talk about universal accident and illness insurance, we're trying to talk about bringing elements of social justice and equity into the social-security arena and, equally, a measure of simple rationality and coherence.

The thing that was distressing about the federal-provincial income security task force was that it identified the problem fine—that there are 80 discombobulated programs driving everybody nuts and being at the same time totally inadequate—but it couldn't come up with a solution. Their solution was a royal commission and, in the meantime, a few slipshod administrative niceties. On page two of the white paper I see basically the same approach, a kind of the throwing-up of the hands in despair. In the section called A Social Umbrella, the minister seems to reject the notion of universal accident and illness insurance in favour of trying to tinker with the existing machinery.

I say again that tinkering isn't going to solve anything. It's not going to solve the fact that we have a Workmen's Compensation Act which covers benefits to disabled people; we have a Family Benefits Act which covers benefits to disabled people; we have a Canada Pension Plan which covers benefits to disabled people; we have a General Welfare Assistance Act which covers benefits to disabled people; we have disabled people on old-age security guaranteed annual income supplements; we have disabled people receiving tax credits; et cetera, et cetera, et cetera.

Nowhere in this proposal is there the kind of creative breakthrough that can give us the leadership to get out of this morass. We in Canada remain with one of the most archaic and obsolete and Rube Goldberg-esque social security systems in the western industrial world.

Mr. Kerrio: What is this about social security? I though we were talking about the Workmen's Compensation Board.

Mr. McClellan: For the benefit of the member for Niagara Falls, the Workmen's Compensation Act is part of our social security system and we are dealing with amendments to all sections. If he's incapable of understanding that, as most of his colleagues have always been incapable of understanding issues with relation to the Workmen's Compensation Act, that remains his problem. I think the minister understands clearly what I'm talking about.

When we get to the point of looking at the white paper we expect more than what is in it. We expect more than tinkering; we expect more than discussion of net income as opposed to gross income or flat-rate benefits as opposed to occupational benefits. We want the leadership that can lead this province and this country out of the morass it is in with respect to income-replacement programs, especially for disabled workers and injured workers. Perhaps it is an ominous portent that the white paper is actually grey. The cover is grey; kind of a pukey blue-grey, I may say.

I think the minister should take this as the basis of his approach, but rework it and come back to us with a much more adequate document and a much more adequate set of proposals for the next legislative go-round. We're not content with tinkering; we're not content to stand here once a year and deal with marginal improvements in the Workmen's Compensation Act. We want fundamental reform that will protect the right of working Canadians to a decent income in the case of accident or disability and to adequate rehabilitation services to get them back on the job as quickly and as productively as possible. The present act fails to do this.

The proposals in the white paper, I say, are so inadequate to achieve that objective they need to be reworked. We look forward to the attempt in the appropriate legislative forum to hold hearings and to deal with legislation that will once and for all reform measures for injured workers in this province.

Finally and very briefly, I would like to congratulate the minister if I may, for the bill that's here. I do so, not because I think that anybody representing injured workers has to express gratitude on the basis of charity, but because I think injured workers in this province have an absolute right to a decent standard of living.

I congratulate the minister for getting this through his cabinet. It is substantially different from previous amendments we have had because, as I said at the beginning, it restores fully the loss of purchasing power. That makes it different from previous amendments, which did not do that. I hope it is a precedent and that the government members will understand it as a precedent. If we haven't moved to an automatic system when we move the statute, at the very least we restore every single nickel and every cent of lost purchasing power. This bill appears to have done that and for that we congratulate the Minister of Labour.

Mr. Acting Speaker: Hon. Mr. Wells moves that the House continue to sit through the luncheon interval from 1 p.m. to 2 p.m. to continue the debate on this bill.

Motion agreed to.

Mr. Kerrio: Mr. Speaker, the last time we debated an increase to the pensioners and injured workers I stood in my place and concurred wholeheartedly with the government's position. I'm sorry to say that in that particular instance one of my socialist friends to my left took about the cheapest shot you can take at a fellow legislator when he suggested that I was against giving increases to widows or injured workers.

I went on the record at that time and stood on a point of personal privilege and explained—and I shall say it again—that I concur wholeheartedly with the government's position in increasing the moneys paid to injured workers and pensioners. I don't make that particular point lightly, simply because talk is cheap and the people to my left prove that day after day.

The reason I use that particular description of them is because I want to bring into focus something that is very seldom talked about in this Legislature. It is the fact that while we debate what is fair in regard to paying people on pension and injured workers, very little is said—nothing at all by those members over there and very little from other members in the assembly—about who picks up the bill. I say to the minister it's time his government addressed itself to that very significant aspect of workmen's compensation.

I say again, I want to pay the injured worker what's fair. I also wonder why we don't pay someone who sustains injury on the way to work. It would then be impos-

sible for the government to assess that payment to some small company that has five or six people on its payroll. I suggest it's about time that an injured worker is paid whether he is hurt on the way to the job or on the way home from the job. In that case, the minister would have to decide on a completely different method of payment.

[1:00]

I say to the minister that the way the workmen's compensation is paid for now is an unfair payroll tax to some people who have a very high labour ratio. I think it's grossly unfair. If we are going to encourage small companies to hire more people and we are going to put an unfair and regressive tax on their payroll, how could they possibly take on other people when this keeps going up and up and the minister doesn't do anything about bringing any other kind of funding into the picture? It seems particularly unfair when the government is prepared to make money available through the Ministry of Industry and Tourism to General Motors, to Ford, to some of the large corporations which probably have very small payrolls in proportion to many small businesses. In substance, what the government is doing is increasing a very disproportionate payroll tax to labour-intensive small people.

I say to the minister I concur wholeheartedly with what he's doing. I did in the past and take exception to some people who say anything different about my position in this matter. With respect, it's just about time that the government that sits over there and talks about free enterprise practised what it preaches and brought into place something for injured workers that is more fair and equitable to the people paying for it and extend it to those people who might be hurt in places other than the work place. If he does that he would then be obliged to put money in from the general revenue funds. He knows that and I know that.

Isn't it time we assessed the whole picture of workmen's compensation and what is generally accepted as the common law of the land to place responsibility where it belongs and payment, in turn, to those people who avail themselves of workmen's compensation payments? It's time to take another look at that aspect. It's never debated, it's never discussed. The government just passes the bill on to a third party which can do very little about it.

It's time the government took a very good look at that aspect of it and we stopped putting a regressive tax on payroll that is hurting the fundamental people who make this nation go, the people who hire 60 to 65 per cent of the work force. Those people are hurting and it's time those people who stand in their place and talk about a grandiose scheme of social benefits rather than injury benefits should be prepared to take the money from the source it should come from.

I hope the minister will look at that aspect of it in the future, that injured workers and pensioners will be paid fairly, but that he'll also take a good hard look at some other method of funding those aspects that fall into the social rather than what I consider the fundamental responsibility of the person who does the hiring.

Mr. Mackenzie: Mr. Speaker, I'm going to be very short on this bill. I can't escape though I think the previous speaker invited it. Regressive taxes, the assessments for WCB? I suppose it could be, but there's certainly a private-enterprise incentive to improve safety and working conditions in it as well. Besides, I've always sort of liked the theory that them what has pays. I just reject the regressive tax argument.

I see this bill, and I think my colleagues see this bill, basically as income maintenance and on that basis have no hesitation in supporting it. It's a good move. I applaud it. I want the minister to recognize that when positive amendments are put forward there isn't a negative reaction from this side of the House and they will be supported. It's on the basis that it's dealing basically with an income maintenance situation that I have no hesitation in supporting it.

I don't intend to go into the shortcomings. My colleagues have dealt with and probably will deal with a few that concern us. I want the minister to know that the white or grey paper or whatever it may be that's been presented to us I accept as being presented in good faith and we look forward to the discussion on that paper that will take place. There are, I think, a number of serious inadequacies in the whole workmen's compensation program in Ontario. Some of them have been well documented. Some of the problems and arguments have been raised over a long period of time. We want to see them dealt with. We hope that the white paper will be that opportunity and for that reason look forward to taking part in the discussions around that particular paper. In the meantime, we accept the income-maintenance proposals presented today as being good ones. Whether people would have liked to have seen more or not, we recognize that they are not trying to resolve all of the difficulties of the past or all of the inadequacy we may feel is there, but they are positive measures. We do accept them, as

we accept in good faith the white paper that is being presented to this House.

Mr. Lupusella: Mr. Speaker, I am going to be relatively brief and just cope with the spirit of this bill and not get into a long discussion, or précis the quality of this bill. I guess what the Minister of Labour is doing is to provide rights for workers who are injured as a result of accidents which have occurred at the work place.

The member for Bellwoods gave quite an extensive illustration about the concern of this party and of individual members who through the years on the floor of this Legislature, in particular since 1975, have been raising questions in relation to problems related to the Workmen's Compensation Board, its act and the injured workers of this province. We had such opportunities in the past and it seems that from time to time we are dealing with some of the concerns which, of course, are not solving the concrete and the real problems injured workers of this province face.

With this spirit, Mr. Speaker, I am trying to give you my contribution to express my personal concern and my party's concern in relation to the whole area of compensation for injuries in the province. My colleague, the member for Bellwoods, raised the particular issue of the white paper in which the Workmen's Compensation Board expresses concern about problems. About the tenure and the tone of this word, concern, it seems my colleague read my mind, as it were, because I was trying to give an extensive elaboration about his concern. Our real concern was that the Workmen's Compensation Board and the government through the Minister of Labour, enact particular legislation to solve the problems of injured workers in this province.

I have to tell you I am not pleased about this situation, Mr. Speaker. This party is not pleased, because we are looking to long-range activities and the changes which are supposed to take place in this province. We are looking forward for concrete changes, because the changes in this bill are not totally relieving the financial pain of injured workers as a result of injuries which, occurred in the work place. We are looking for concrete terms which are going to solve, once and for all, the problems of the Workmen's Compensation Board which is affecting the social and economic environment of injured workers in this province.

I will be pleased when this government, the Minister of Labour, in co-operation with the Workmen's Compensation Board, enacts clear legislation which is going to phase out the present bureaucratic structure of the Workmen's Compensation Board and deals with a universal insurance scheme which is going to ensure the right to benefits to injured workers in Ontario who have been affected by serious injuries related to the work place.

Again, to go back to the principle of concern, of course the Workmen's Compensation Board has been concerned in the past, and even recently, with decreasing their assessment of employers' premiums across the province. I do not think the Workmen's Compensation Board or this government showed clear leadership or a clear indication that the problems are going to be solved. I would like to give you a synopsis of what has happened in this particular issue, Mr. Speaker. I am talking about the concern which the Workmen's Compensation Board expressed to employers of Ontario about making contributions to the Workmen's Compensation Board. The increase in assessment rate per $100 of payroll in 1977 was nil and in 1978 it was increased by 3.7 per cent. But in 1979, there was a reduction of 9.6 per cent and for 1980 there will be an extra reduction of 8.4 per cent.

This is something which worries me. We are talking about the whole issue of ensuring a just level of compensation for injured workers so that they will not be forced to live at the poverty level, and here we are faced with a position taken by the board and blessed by this government to make reductions in the assessment rate per $100 of payroll, the figures of which I have emphasized.

Of course, I am not happy about this trend because it is taking away money from injured workers so the possibilities of giving extra benefit increases or changes to the Workmen's Compensation Board procedure are becoming slim. This leads me to believe that no concrete action will be forthcoming, even though I must state I am looking forward to these changes before I make my final analysis on the direction taken by the board, by the Minister of Labour and by this government.

So it is with hesitation, Mr. Speaker, that I support this bill. I have to support this bill, of course, because injured workers across the province are looking forward to these increases. I understand that the increases are in line with the cost of living increase. Again I want to express some positive remarks in relation to that to the Minister of Labour, in that, at least we are not faced with a bill over which we have to fight for adequate

increases in relation to the increase in the cost of living.

I want to point out, in relation to that, that if the Minister of Labour and the government introduce an amendment that incorporates a permanent formula of annual increases we will have solved a problem which has been affecting injured workers through the years. Frankly, I am getting frustrated and other members of my party—and even members belonging to other parties—are tired of having to raise, persistently and consistently, issues related to injured workers and their level of compensation.

[1:15]

In the past, and recently again, we have talked about incorporating this particular formula into the Workmen's Compensation Act. At least the minister would not have the pressure of injured workers across the province crying all the time about the level of compensation. At least there would be something in the act which the Workmen's Compensation Board just had to follow. The minister would not even have the pressures coming from different parties voicing the concerns of injured workers across Ontario. I hope he is going to do that.

I also have something to say about these increases. I hope the Workmen's Compensation Board is going to implement those increases. The reason I am not enthusiastically supportive of these measures is that the way the Workmen's Compensation Board assesses the level of permanent disabilities on behalf of injured workers is completely unfair. The numbers I have seen may look attractive but when an injured worker is called by the Workmen's Compensation Board for the assessment of his disability, the board has the full discretion, as a result of the means chart—and I want to refer to it in that way—to assess a low level of pension to that injured worker. We are also aware that the level of pensions is related to the amount of money the injured worker was making before the accident took place. Unless the Minister of Labour wants to introduce amendments to the Workmen's Compensation Act to restructure the level of compensation for permanent disability, I think we have not really changed the approach to the concrete problem which is affecting injured workers across Ontario.

The white paper is going to be discussed in the months to come. I would like to hear a statement from the Minister of Labour which in some way will finalize the work of this white paper so we will not be in suspense, maybe that in two or three years the Minister of Labour will gather the responses to the white paper. I would like to hear that there will be clear guidelines to complete this type of work. I would like to hear the Minister of Labour make statements to ensure at least that concrete changes are going to be made to the Workmen's Compensation Act without any delay. I think the whole process is overdue. I think we should be interested in the financial hardships of injured workers across the province.

Again, I have to convey to the Minister of Labour my frustration that when injured workers demonstrate in front of Queen's Park or in front of the Minister of Labour's office or even at the board's office there is a new attitude that, instead of taking into consideration their demands, injured workers have been arrested and are faced with criminal charges and have to appear before the courts. It is a pitiful, really pitiful process and I am upset about the whole affair.

I have seen injured workers come into my office. They had been going to the board requesting their cheques and so on. They didn't want to leave because they wanted to talk to the chairman of the Workmen's Compensation Board for some reason. I can understand this reason. Maybe the chairman was not in his office and the injured worker was waiting to get a clear answer about his particular problem. The board in several cases decided to call the police and the workers were charged with trespassing. I think that is cruel. It is unfair. There is an urgency to deal with the whole aspect of the Workmen's Compensation Board structure and procedure in order that the demands of injured workers are going to be met in some way. They are not supposed to live in this province as second-class citizens.

Mr. Speaker, I think that this Legislature and the citizens in Ontario have to pay a tribute to the injured workers of this province. They have been making their own contribution by working hard, especially on the construction side. Some of them have died as a result of serious injuries. Some of them remain with total and permanent disability as the result of their accidents. They gave their best contribution to make sure that the economic growth of this province would take place. Since 1914 I think that this government and the Workmen's Compensation Board haven't shown a clear indication that the human suffering, as the result of accidents sustained at work, has been taken into consideration.

From time to time we have been faced with little changes. I understand that the ceiling has been increased. It sounds quite attrac-

tive. From $16,200 there has been an increase to $17,820.

Hon. Mr. Elgie: It's $18,500.

Mr. Lupusella: How much, $18,500? It sounds quite attractive a figure, but how many injured workers are affected by this ceiling? The reason I'm raising this question is that it eventually might solve the problem of the injured workers afflicted with new injuries, but what about workers who were injured in the past when the ceiling wsa really low? What are we doing to solve this particular problem? The ceiling was low, the percentage of disability was again related to their earning capacity before the accident took place and as a result of that the pension was low as well.

We are dealing with the vast majority of injured workers affected by this particular problem who have been forced to collect unemployment insurance and to collect the money from taxpayers while they have been the victims of injuries in the work place. Mr. Speaker, I would like to say to the Minister of Labour that I think taxpayers of this province have been subsidizing employers; they have been subsidizing the Workmen's Compensation Board when injured workers have been forced to collect family benefits, or they've been forced to collect their Canada pension.

The anachronistic part of the whole affair is that those who are collecting Canada pensions—I'm sure that the Minister of Labour is very well aware of this—that workers in general applying for CPP disability pension are supposed to be declared totally disabled; their disability must be permanent. The anchronistic part is that many injured workers have a 15 or 20 per cent disability, therefore they are not considered by the Workmen's Compensation Board to be totally disabled. They are faced with another bureaucratic process in Ottawa, just because of the degree of their disability. A lot of injured workers are unable to collect disability pensions from the federal government because there is no clear indication that they are totally disabled. It is something about which I am particularly concerned.

I am also concerned about those who have been injured for a certain period of time, who didn't have the opportunity to make contributions to their Canada Pension Plan schemes. A vast majority of injured workers couldn't make their contributions. They are just supposed to get the peanuts of pensions which come from the Workmen's Compensation Board, thus they've been forced to collect family benefits as well.

There is an open scenario for the Minister of Labour, which should be viewed. I don't want to prolong my discussion. I guess we have processed this bill just for the sake of injured workers, even though we are unhappy about the whole structure of the Workmen's Compensation Board. I hope the Minister of Labour will make an addendum to the discussion paper of the Workmen's Compensation Board to consider seriously and effectively the universal insurance plan in effect in New Zealand. The former Minister of Labour told us she was looking into it, that she was studying the whole process, but she didn't want to commit this government to any particular change in that direction.

I think the present Minister of Labour, if he is really concerned about economic and social problems which injured workers face in Ontario, should give serious thought to that, in order that some day we will have a universal insurance scheme in the province which will protect workers 24 hours a day. At the moment, we are also faced with the problem that in going to work the workers may be injured outside of the employer's property. Long investigations are taking place at the board level to find out where the worker was injured.

I think the universal insurance scheme, beside considering the right level of compensation and benefits, also considers the time when a worker leaves his house to go to work. If something happens and his earning capacity is completely nil, he has to be compensated.

Mr. Speaker, to the Solicitor General—to the Minister of Labour—

Mr. Bounsall: You're accurately predicting where he's going to be shuffled to.

Mr. Lupusella: I hope not, because again, we're going to talk about concern for the police forces and concern for injured workers. It seems this government is using the general tone of being concerned about everything. I hope some day this word will have a low profile in this Legislature.

Again, I want to terminate my speech. I hope the Minister of Labour will move with high speed towards the completion of this important work on behalf of injured workers. I would like to hear from the minister when the discussion paper will be finalized. I also hope he will give us an assurance about the time when he's planning to introduce concrete—and I want to emphasize the word "concrete"—changes in the Workmen's Compensation Board Act.

[1:30]

Mr. Breaugh: Mr. Speaker, I want to be mercilessly succinct this afternoon. I support the bill. I'm unhappy about it, but I do support it. In the sense of the spirit of Christmas and all of that stuff, I suppose we really should be grateful for what the minister is proposing in this kind of legislation. Further than that, we should be grateful that he appears, finally, to be moving to some substantive review of the way we compensate injured workers.

It's appropriate that many of us are going to be succinct this afternoon because it is near the end of the session and we're dealing with this particular kind of bill which, in effect, for many of the people I represent is the way it happens. An industrial accident takes only a very small portion of one's life initially; it is something that happens in less than a second which changes completely the course of the remainder of the life of that human being. I'm sad in relating to the House, as many people here could, I'm sure, that many of my friends are people who have fallen victims to industrial accidents, most of which fit into that category.

One very quick incident occurs in a place of work, which means for the rest of their lives they cannot walk. The operation of their arms and their legs is changed substantively; a great many other ailments might result. For a growing number of people we're beginniing to be just a little more aware that sometimes it isn't really the accident that causes that kind of change in their life pattern, but something that occurs over a longer period of time. We are beginning to understand just a little bit about that.

What does need to be said about this particular piece of legislation and the companion white paper is that I want to encourage the minister as much as I can to give serious consideration to some other approach to the problem. I do not understand how we got ourselves into this mess with the Workmen's Compensation Board. I do not particularly put blame on the individuals who work at the board. In fact, I have some sympathy for them and some high regard for the chairman of the compensation board; he happens to be a constituent of mine and a very nice guy, but I think he is trying to do an impossible task, one that cannot be done.

For the life of me, I cannot fathom how we expect injured workers in this province to be doctors, lawyers, orators and debaters. That's an unrealistic expectation. I note with regret that in the discussion paper the minister offers as a major concern the element that has been raised by a couple of other members here, that somehow we really can't afford in this society to offer to an injured worker some decent form of compensation. I find that a repulsive notion. It is a concept which says that this society of all the societies in the world can't deal with that problem quickly, efficiently and effectively and is sick.

Surely that has to be a priority item. Surely governments, such as we have all across this nation, which can afford to spend millions of dollars on receptions, information programs, printing buttons and literature, can afford to treat injured workers with some respect, dignity and efficiency and provide a level of compensation which allows them to lead what we might categorize as normal lives and which allows them to continue a lifestyle that is satisfactory to them and a pattern for the people around them, their families in particular, and which doesn't alter dramatically because of some incident which occurred in a place of work. It strikes me that that should not be an unreal expectation in our society.

I do support this legislation. I recognize—as other members have done in some detail—that there are many faults and philosophically there are certainly some problems in it for me. I do recognize that the minister is paying at least lip service now to some things which have been seriously wrong with the compensation board for a long period of time. It strikes me that if this is the best I can get at this moment in history I will take it gladly, not for me but for those who are suffering under this program.

I do want to put it on the record because this is something that in my constituency office alone involves something like 4,000 case files a year.

That is ridiculous. That means about 60 per cent of our casework file is devoted to things having to do with the compensation board. My personal measure of whether a government program works or doesn't work is how deeply I am involved in it. I think there might be one or two things out there for which people do not complain to their member and seek the member's assistance.

Certainly, the minister could ease the case load immensely in constituency offices around the province if he made substantive changes to that concept called the Workmen's Compensation Board. It is ludicrous that the members of this House and the people who work in our constituency offices have to expend so much time and effort and money to make this thing work. In my view, in the final analysis, it doesn't work because it can't work. The concept is flawed, faulty and more than just imperfect.

I welcome the changes the minister proposes in this bill. I urge him to give extremely serious consideration to altering the entire concept he has in place with the Workmen's Compensation Board. I tell him now and give him notice—though I might be brief today—I am not going to be satisfied with tinkering about the process, or the board, or a new chairman, or new office space, or a new filing system or regular adjustments to the payment schemes. I want a substantive change and more and more people in my riding from both sides of the bargaining table want a substantive change. We want something that works, that is efficient and that is fair.

I don't want to be back here in another six or eight months time looking at a tinkering with the compensation board. I want a substantive change. The people I represent demand that. I think from each side of a bargaining table you may get an entirely different perspective on the problems, but I think you'll get clear recognition that the system that has been set up doesn't work. It isn't fair to anybody. In particular, as always the one who is expected to bear the brunt of the unfairness is the worker and that's wrong.

Mr. Speaker, to finalize: I welcome that the minister at least recognized an extremely serious problem. I want to caution him to go forward in his examination of alternatives in a clear and concise way that people will understand and to make sure that we do not wind up with another government report which does not change anything anywhere for anybody. That's a useless and stupid exercise and if that's what he's proposing, cut it out now.

Mr. Bounsall: Mr. Speaker, I may just say that having been the critic of the Workmen's Compensation Board for our party for six of the last eight years in the House, I am quite used to having bills brought in at half past the eleventh hour such as in the spring session, when one was introduced to be debated in the last day or two of the month of June. Here one has come in that we are debating for the first time on the last or the second last day of this session in December.

I believe it is rather unfair to the members of the House that workmen's compensation amendments should always be introduced in this way where the members are continually under some sort of pressure to make their remarks short—which could be useful—to get it debated and have as few speakers as possible and to get to heck out of here, be it in June or December. I don't know why the government continues to do this. It may be that it's simply such a low-priority item in their considerations that it comes as an afterthought. This occurs virtually every time. There's nothing to prove otherwise.

I wouldn't mind having an explanation from the minister, although he is only responsible for one of these situations, the very late introduction of the bill in this particular session. It is certainly a pattern. It may be he has inquired of the Workmen's Compensation Board or his staff, though this is always the pattern whenever there have been changes.

Mr. Speaker, I stand to say I do support this bill, because for some workers in Ontario it does and will represent a fairly major immediate increase for them. For their sakes, we will certainly not oppose the bill. We will support it for those who are receiving it. Neither, unfortunately, will we make any meaningful amendments to this bill. There are two areas in which there should be amendments which it should be reasonable for every member of this House to support.

We have some sort of an indication, although not in flat terms, from the minister and the government House leader that should there be substantive amendments increasing expenditures above the amounts in this bill, third reading might not take place. It has not been that flat but this is certainly the clear vibe received by those in our caucus now formally concerned with carrying through this bill. For those workers who would receive benefits, we will not take that chance, but I'm going to indicate clearly, as has probably been done by other members in the debate, two areas where this bill is deficient, two areas in which amendments affecting the numbers and the payments in this bill should be made.

Of course, one area is section 3 of the bill, which deals with the adjustments to the amounts receivable under the category of temporary disability payments. I don't know how many other speakers have addressed this point, but I'm simply going to outline the situation for the minister.

Back in 1975, the first time ever, the Legislature made an adjustment to the temporary disability amounts. As this minister well knows, for the first time back-dating for temporary disability payments and for pensions was recognized. It went back to 1949, I believe, and the total amount that anyone could receive as a pension adjustment or a total disability adjustment was 60 per cent. The cost of living over that entire period went up 180 per cent, so the total change

back then was one third of what it should have been.

We do not have the proper base on which to make those percentage adjustments now, nor have we ever had since that bill because we did not make it adequate at the time. We had one bill in 1978 for the pensions covered by section 42 of the act, which made adjustments in the pensions in accordance with the cost of living. We did not make it in the final year that was affected by that bill, and so the minister has updated section 4 of this bill dealing with section 42 of the act to make those adjustments according to the cost-of-living changes which have occurred since then. They are derived from an improper base, but at least that has been done with respect to those people receiving pensions.

Nothing, however, has been done between 1975 and now for those on total temporary disability or temporary disability payments, except for this one amendment in section 3 here today which adds only 10 per cent. It does not make any attempt whatsoever to put in the true figure which would deal with the cost-of-living changes which have occurred since 1975. This minister speaks about income maintenance. He has not achieved it whatsoever in section 3 of this bill. He has added 10 per cent rather than the true amount. That true amount, if one follows what was done for the pension and to cover the period from July 1975 to now, would amount to a 42 per cent adjustment, not a 10 per cent adjustment.

[1:45]

This bill is seriously deficient in that regard. For anybody on the board or in the ministry, or for this minister to say this bill makes any attempt at all to provide income maintenance would be patently false. That's the amendment which should be placed. This minister had better not say he has introduced the principle of income maintenance in this bill whatsoever. He has patently refused to do so. And he stands condemned for not doing so.

The minister can say, and how appropriately, "I have put out a grey paper for discussion"—it is a grey paper—and, probably the conclusions and the way in which they'll find themselves into the Legislature, as a result of whatever discussion this minister is going to entertain, will be in the same vein as the colour of the cover. When we get to that, if this review is anything other than a smokescreen to delay what should be taking place, at some point we will be seeing, in this Legislature, the proper adjustments on those temporary disabilities which I have spoken about under section 3. There's no question the wording in section 3 of this bill should read, "The amounts payable under this section shall be increased for 1975 by 11 per cent; effective July 1, 1976, for 1976 by eight per cent; effective July 1, 1977, for 1977 by eight per cent; effective July 1, 1978," and then, according to what is shown in sections 4(9) and 4(10) of this bill, the further increases thereafter.

The minister has failed to include or take into account the first three clauses which should be appearing in section 3 of this bill. I want to tell him how this will affect three people who continually communicate with me on the problem. These people are on temporary disability—most of the time on total, at various times on 50 per cent. But that is the base on which they calculate the 50 per cent. There's Fred Wilson from Chatham, who was first injured in 1971 and has been continuous throughout, as far as I can see in his file. In 1975 those amendments brought his total temporary to $216 a week. Four and a half years later, what does this amendment do for Fred Wilson? Four and a half years later, it's going to give him $21.63 more a week, rather than $90 a week or whatever the weekly maximum allowable under this bill would be if the proper amendments were in here.

I would be very interested in the minister's reply on this next point. Perhaps he can indicate by a nod. The way section 3 is added, someone would qualify for the increase who has been on temporary total disability or temporary partial disability from the time of the injury and it has been interrupted for some short period but he has none the less continued to receive total temporary as a result of the injury coming at some very early date. I have two cases that date from 1973, both temporarily interrupted but having been continuous in each case since 1975—in one case it has been continuous from May 27, 1975, to the present, and in the other case from April 1975 to the present—and I assume both of these persons would qualify for the 10 per cent indicated in the bill. They have been continuous since the spring of 1975 even though prior to that there were short breaks between 1973 and the spring dates of 1975. The two cases are those of Gerald LeClair and Janet Smith in the Windsor area. Do I take the minister's nod to mean, if they've been continuous since the spring of 1975, that they will at least get the 10 per cent? The minister is nodding and that's correct. All right.

In the case of Gerald LeClair, under the minister's amendment he would have an in-

crease of $17 weekly, rather than roughly a $75 increase if the proper income maintenance adjustments had been made.

In the case of Janet Smith, she will receive an increase of $18.50 weekly, the first in four and a half years. Back in 1975 she had an increase of $21. Now, four and a half years later she'll get the magnificent sum of $18.50, which is a sham in terms of income maintenance rather than a gain still on the improper base. However, the proper adjustment would be a number in the vicinity of $75 to $80. This is what should be done.

I won't unduly continue to harp on this point. It is a disgrace. I don't understand the thinking of this minister, the ministry staff or the Workmen's Compensation Board by which they could come up with this and think an increase of 10 per cent is sufficient or just for four and a half years for those on temporary disability.

My second point is one I have heard others speaking on. I wasn't able to stay for the entire debate. I was required to attend the members' services committee. This second point concerns the maximums payable under this act. The mistake was made in 1978 when the maximum was not increased by the same percentages as the pensions were increased. I won't belabour the point but the minister knows injured workers have been disadvantaged by the maximum not going to the same percentage increase by which the pensions were increased over those years.

It has been a problem for the Workmen's Compensation Board—not so much on the calculation, because they worked out a means by which they could calculate it easily enough, but over that intervening time in terms of having to explain the matter to the workers who hear of an increase in their pensions. When the pensions have been increased prior to this point the maximum has always gone up by the same amount. This has been a problem for the board to explain if they were attempting to be honest and rational in their explanation as to why recipients are getting no increase or only a minimal increase and one that is not equal to the percentage increases that occurred in the pensions.

Interestingly enough, back in June 1978, I had made an amendment to that section of the act. I may say it was worked out with Mr. Laughren. When I look at it now, it was one that was moved by Mr. Laughren rather than myself. We put in the maximums that should pertain in those same percentage increases, the one which was not accepted by the Minister of Labour at that time. The $15,000 we struck out in that bill rather than being replaced by the $16,200 which was then inserted—effectively made the amendment read that that be $16,800 effective July 1, 1976, $18,500 effective July 1, 1977, and $19,600 effective July 1, 1978, to keep those maximums in line with the percentage increases of the pensions.

There has been no attempt in this bill to clear up that problem, a problem which clearly exists. We have in this bill an amendment which simply takes that $16,200 and makes it —there have been some changes in the bill— $18,500, as of today; clearly below the $19,600 figure which should have been effective July 1, 1978. If you take the percentage changes which have occurred in pensions since then, it would indicate that the appropriate figure for that maximum today, if one were going to base it on the same increase as the pensions, would not be $18,500 but $22,100. This bill is seriously deficient in this regard by not so doing.

I know that in that same amendment proposed by Mr. Laughren—and he will no doubt speak to it later—we also added the very reasonable way in which various workmen's compensation boards in this country now are operating. This was started by Saskatchewan. I read from the amendment: " . . . and those amounts indicated in this section"—those amounts that indicate what the maximum should be—"shall be adjusted on July 1, in each succeeding year, commencing July 1, 1979, by the higher of either the same per cent increase granted under section 42 of the act or by appropriate increments of $1,000 when claims data reveal by December 31 of the year previous that 10 per cent or more of workers have earnings that exceed the maximum rate."

That was first put into the Saskatchewan act and it has been adopted by some of the other legislatures across Canada as the means of adjusting the maximum. We found that very appropriate, again, provided we got the proper percentage, the proper maximum base, which we failed to do in the bill effective July 1978 and which this minister has also failed to do in this bill. This bill is seriously flawed in these two regards.

The minister, indeed, made no statement which he circulated to us; so I can only go from my recall—and I have not read the Hansard—of his remarks in connection with the tabling of the grey paper, appropriately titled, in terms of how this minister talks, Current Concerns in Workmen's Compensation. This minister is one of the most concerned, but one of the most inactive, ministers in the House in terms of legislation or changes or thrusts

that produce any meaningful change in Ontario. Therefore, how appropriately, it is worded. If, however, in the discussion of this, the minister and the ministry and the Workmen's Compensation Board are not prepared to put a rational base under the figures in these two areas that I have mentioned, then the presentation of this for presumed discussion in the future is simply a coverup by whomever over there is concerned with these matters, and this grey paper is not worth circulating to anybody.

Mr. Wildman: He would not even put it into black and white; just grey.

Mr. J. Johnson: Send it over in writing and give the minister a chance to read it.

Mr. Bounsall: You presume he hasn't read it, I take it. That may be a very good assumption from the member for Wellington-Dufferin-Peel, that the minister has not read the grey paper he circulated.

With those comments, I conclude my remarks. It is deficient in two areas; it must be adjusted at some point. Unless this grey paper goes to committee with the intent to so adjust, this grey paper is nothing but another standard sham—

[2:00]

Mr. Deputy Speaker: We are really discussing the bill.

Mr. Bounsall: —delaying tactic the ministers of this government so often use.

Mr. Laughren: Mr. Speaker, it is a good feeling to stand in one's place and follow the kind of debate that has gone on here this morning and this afternoon on the amendments to the compensation act. I am sure the minister often looks over here with great envy and wishes he had this kind of expertise on his side to give him advice on how to run the compensation board, because the members who have spoken have outlined our concerns extremely well. The word "concern" should be enacted in some kind of legislation so no one can debate the bill brought forward by this minister without using the word "concern" in at least every paragraph, because there is no more concerned minister. If only his actions matched his concerns, we would have good legislation. But that is the problem. It's inevitable.

Hon. Mr. Elgie: I'm concerned the member might one day be here.

Mr. Laughren: If the minister wants to engage in some dialectic, I suppose we could.

It always make me very happy to stand here and debate class legislation. I like that, because that is laying it all out the way it is in Ontario particularly when it comes to legislation dealing with injured workers.

I am happy the minister is sitting there, and underneath the gallery are the big Pooh-Bahs from the compensation board who tell the minister when to jump and how high to jump. He's been to obedience school. When I look at this bill and I see what is in it and its timing, which my colleague from Windsor-Sandwich (Mr. Bounsall) talked about, then I say to myself: "Boy, nothing ever changes. Nothing ever changes on that side of the House."

They bring in the legislation at the end, when they know that if amendments are put and supported by the two opposition parties, the minister will simply stand in his place and say: "We shall not proceed with this bill." We know that; nobody has to spell that out for us. That is a shabby way of bringing in legislation when we have a minority government in Ontario. It is saying they will accept legislation as though it was a majority government, and not facing the real world in which we have a minority government.

The bill itself enriches the benefits paid to injured workers, and for that reason we are going to support it. There are a number of problems, dealing with the benefits, the ceiling level and the benefits for dependants, which continue to bother us. I thought my colleague from Windsor-Sandwich put the arguments extremely well. I hope the minister doesn't think that, because we are supporting this bill, that means it is everything we want it to be, because it is not.

As a matter of fact, I dream of the day when the member for Windsor-Sandwich and the member for Cambridge (Mr. M. Davidson) will be enacting legislation, not debating legislation, that deals with injured workers, because then we will have the kind of legislation injured workers in Ontario deserve. That is what's lacking now.

There is still a problem. When we talk about the compensation board in Ontario, as long as the minister continues to deal with it the way he has since he became minister, we shall continue to have the problem of an adversarial system; we'll continue to have an attitudinal problem at the board; we'll continue to have a decentralization problem, or rather a centralization problem; and we'll continue to have a problem with rehabilitation of injured workers, because these kinds of amendments don't go to the heart of the system at all. That is why I ask the minister if he would listen to the chairman of the Workmen's Compensation Board, Mr. Starr. He should listen to him, sound him out about his views on a comprehensive social insur-

ance system based on the model used in New Zealand at present.

I wish the minister would talk to Mr. Starr about that. Mr. Starr has said he sees the day when that has to come, and that is the kind of system we will have to have in Ontario. It is a matter of years, but it is only a matter of time, until all across this country we have a comprehensive social insurance system run at the provincial level. One jurisdiction after another will bring it in. Just as Saskatchewan was the model for our medicare system, so it will be the model for our social insurance system as well. That day will come.

Hon. Mr. Elgie: It's a dream.

Mr. Laughren: The minister treats that suggestion rather glibly, but it is a serious suggestion. We've put it previously to this minister and to previous ministers, and I think it is the way out of that incredible quagmire called the Workmen's Compensation Board in Ontario.

It's not a complicated system, but it does involve something that bothers the minister and that government; it's called ideology. The minister knows that, to bring in a system like that, you must have a public automobile insurance system, you must have an insurance system for the public at large and you must have a workers' compensation system. When those three are in place, they can be brought together under one umbrella called a comprehensive social insurance system.

Only then will we be able to deal with the three central problems: (1) accident prevention, (2) income maintenance and (3) rehabilitation after the accident has occurred. Those three things are what we should be looking at when it comes to compensation.

If the minister thinks he can resolve the problems in compensation without addressing himself to those three key ingredients, he is sadly mistaken.

I hear the bleating—I don't like to use the word "bleating"—from the Liberal Party about the cost of such a system. The cost of such a system would be less than the present system. People already insure themselves for automobile accidents, people already insure themselves for accidents in the home and so forth. We already have a workers' compensation system. What I'm talking about is making it more efficient than it is now. It's not a case of increasing the costs to anyone. As a matter of fact, the costs would be less and the system would be more efficient. That's what we're after for the injured workers in Ontario.

I would ask the minister, now that he has tabled his grey report, his concerned report, why he did not at least say to the people of Ontario, the people who are interested in this problem: "We're not closing the door or closing our minds to the possibility of a comprehensive social insurance system: we would like to know what you've got to say about it."

As a matter of fact, I would have made almost the ultimate sacrifice and gone to New Zealand and dug up some facts for the minister.

Hon. Mr. Elgie: Why don't we both go?

Mr. Laughren: I'm not fussy about the company I keep on a trip like that. Of course, I would go with the minister. We could do that. Seriously, the minister should take a look at that system and throw it open for debate. It's been thrown open for debate in Saskatchewan; the costing process is going on there now. The minister wouldn't have to start from scratch. There is a model in New Zealand and there is research that has been done in Saskatchewan. I think the minister dismisses that concept too quickly. The minister is not going to remain as Minister of Labour forever, only as long as his government lasts—which may not be very long.

If there was one way that the Minister of Labour would like to be remembered, it seems to me that would be it, because the Ministry of Labour is a major portfolio in Ontario. If the minister wants to go through his political career as a blip on the scope, I guess that's his choice, but if he wants to leave his mark on labour legislation in the province of Ontario, he could do something about workmen's compensation that would leave an indelible mark in Ontario—namely, to bring in a comprehensive social insurance system. That's what he should do. He should leave his mark on labour in Ontario, not in the way his predecessors have done, but in a very nice kind of way.

Mr. Deputy Speaker: Perhaps the honourable member would leave his mark on Bill 209.

Mr. Laughren: I was wondering when I could get to that, Mr. Speaker. Thank you.

I will conclude my remarks by asking the minister if, when he responds to all the positive suggestions that have come from this side, he would consider aiding people who come to him or make presentations based on his concerned white paper as to the cost of any particular suggestion. For example, if we went to him and said we would like an automatic indexing system for raising the maximum based on the Saskatchewan model, where, if 10 per cent of the claims in any six-month period or 12-month period exceed

the existing maximum, that maximum is bumped up $1,000, would the minister put the research capacity of his ministry or the Workmen's Compensation Board to work to allow that to be costed? In that way, when people make suggestions to the minister based on this report, they can be treated in a serious way and an estimate of cost can be provided.

It seems to me people could make suggestions without knowing what the costs are. That is a factor. We don't pretend that costs of delivering compensation are irrelevant; of course they are a relevant factor. Often people who have good suggestions to make have no idea what the costs will be and no way of determining what the costs will be. I introduced a private member's bill in 1978 which would have bumped up the benefits for injured workers a great deal. The then Minister of Labour, the present Minister of Education (Miss Stephenson), stood in her place and said, "This is going to cost over $1 billion."

What I am asking is, will the minister make a commitment that if we can provide some reasonable, positive suggestions he will assure us that a cost estimate will be provided before we determine this is definitely something we want to fight for when the next legislation is brought forth? I hope the minister will think about that.

The other thing is perhaps not a major point, but it really bothers a lot of people; that is, if someone is on compensation—perhaps one of the other members mentioned this; I am not sure—the Canada Pension Plan payments end and he is no longer making contributions to the Canada Pension Plan. That is one of the fringe benefits which is very important and which the compensation board should look at in terms of providing coverage for injured workers.

We welcome these increases. We continue to be dismayed at the tunnel-vision approach to compensation which has been exhibited not just by this minister, but also by his predecessors and by the board itself. I won't get personal about it, but my own views are that massive changes are needed at the board as well, because an attitudinal problem still exists. The decentralization move announced in the last day or so, I believe is a move in the right direction. I very much hope it works so that it can be implemented all across Ontario. We will be watching very closely to see what happens there. They will certainly have our support for the attempt to do it in Sudbury. We will be talking with the Sudbury people on that as well.

We have agreed to support this bill but with the very grave reservations which were best expressed by my colleague from Windsor-Sandwich. I hope the minister will seriously consider the suggestions that were made on this side.

Mr. Di Santo: Mr. Speaker, I would like to enter this debate briefly, because I think it is very important that we express our views on this bill which is long overdue.

We all know that since July 1978 there has been no change at all in the Workmen's Compensation Act in the level of benefits given to injured workers. As recently as three weeks ago, my colleague the member for Dovercourt (Mr. Lupusella) asked the minister when he was going to make some improvement to the level of benefit, which was lagging far behind the cost of living, with no recourse at all for the workers to be compensated for what they were losing because of circumstances that are absolutely beyond their control.

[2:15]

If the cost of living goes up continuously and the Workmen's Compensation Act doesn't provide any mechanism to compensate the workers, they are the losers. Injured workers make up the only group in our society which is completely defenceless, because they have no way to be compensated for the impact of inflation on their benefits.

This bill tries in a way to remedy that situation, because the benefits are raised somehow close to the increase of the cost of living between 1978 and today. I think this is the wrong approach. Pensioners are benefiting from Canada pensions, and most of the people who are employed in both the public and private sectors have cost-of-living allowance (COLA) clauses; so why is it impossible for this government to consider that the injured workers should have that type of provision in law? It is only human and reasonable that people who are getting pensions, which in some instances are not only absolutely inadequate but are also extremely low, should benefit from the increases every other group in our society get because of the cost-of-living increases.

It is frustrating for the members of the Legislature and for the government to be subjected continuously to the pressures of the injured workers and other groups in our society who come after us asking: "When is the government going to introduce the next amendment to the Workmen's Compensation Act?"

If the government had introduced an automatic COLA clause in the Workmen's Com-

pensation Act, it would have solved many problems. I feel that, even with the amendment tabled by the minister with Bill 109 which we are now discussing, we don't solve the problems of the injured workers' benefits level.

If we consider the widows, the bill provides they will get $410 effective July 1, 1979. I submit that this is absolutely inadequate since it is below the poverty level by any standard. I don't understand why widows of workers who lost their lives while on the job should be penalized. They have lost the head of the family and, in many cases, the main breadwinner in the family.

Why isn't it possible or conceivable that the government could understand there has been a loss of income in a family, apart from the loss of a member of a family? Furthermore, that family is penalized by being reduced to a situation where, with the pension, its members won't get anything near to the poverty level.

We have examples of other jurisdictions in Canada and elsewhere where the widows' benefits are compared to the current wages of the workers in the category to which the worker who died belonged. That is only reasonable. I know it will cost the employer and cost the system but, on balance, we have to consider not only the needs of the surviving widow, children and dependants of the injured worker, but also his rights because it is his right to be compensated for a loss that was a result of an industrial accident.

As my colleagues have stated before me, there are very serious shortcomings in this bill. In fact, one of the points I'd like to comment on briefly is section 41a of the act. This section, as it is now, is grossly abused by the administrators of the Workmen's Compensation Board. What happens—and this is my daily experience—is that at some point, for reasons that are quite often not given to the workers, the benefits are either discontinued or cut by 50 per cent. At that point, as the honourable minister knows very well, the workers have to fight an uphill battle to have their benefits reinstated. Very often, at that point, they have against them the opinions of doctors who are either direct employees of the Workmen's Compensation Board or who, because they are paid by the board, are not always objective. In that case, there is an interruption of the benefits going to the injured worker. This is a situation that happens extremely often.

For that reason, section 41a will become a matter of contention. I submit to the minister that one year from next month we will be flooded with hundreds of appeals. In these cases the Workmen's Compensation Board will have stopped paying benefits and we will be fighting to have the benefits reinstated. Then, when we ask for the 10 per cent increase, the Workmen's Compensation Board will say, "No, we have a bill which tells us that benefits should have been received continuously." This will exclude a very great number of injured workers from receiving these benfits; it means, in effect, that the workers will be penalized and will not receive this compensation which, as I understand the minister, is intended to compensate them for the increase in the cost of living between July 1, 1978 and now.

Also, as my colleagues have pointed out, the fact that the Workmen's Compensation Board is given absolute discretion—in fact, it "may" adjust the rate of compensation—adds a further level of uncertainty and will create more bureaucratic problems for all of us. In this respect, I'd like to point out that the assessment of the doctors becomes extremely crucial.

As it happens now, and as the minister knows very well, very rarely does the Workmen's Compensation Board take into account the opinion of the family doctor, the practitioner who knows the injured worker best—quite often for many years and who is best able to express a recent opinion on his condition. Despite that, the board doesn't take the family doctor's opinion into account.

Very often what happens when an injured worker is referred to the Workmen's Compensation Board is that the consultants of the board express an opinion or suggest that benefits be discontinued. At that point, the worker has no other recourse but to appeal the decision. In many instances, the rehabilitation department and the consultants to the board have no other recourse but to suggest to workers that they cannot do anything any longer and, therefore, the benefits must be discontinued.

As we have said many times, there should be a system for providing injured workers and the Workmen's Compensation Board with an objective, independent assessment by doctors who are not paid by the board—doctors who can express their opinion without fear, who are responsible to the general public and who cannot be blackmailed in any way because they fear their income might be cut or because they feel their first loyalty is to the Workmen's Compensation Board.

Another point I want to raise is that the board may use this section quite loosely. In fact, even now we know there is a practice

—of which I disapprove; I think it's totally unacceptable—of referring injured workers to psychiatrists. When there is a problem about the continuation of benefits because the board thinks the condition of the injured worker has reached a certain plateau from a clinical point of view, quite often, in the cases I deal with, the injured worker is referred to a psychiatrist. Quite often we know the psychiatrists say the worker has an overlay of some kind and, therefore, cannot function for a reason other than the injury. In that case, the benefits are discontinued. That happens very often. Quite often I am very resentful because I know many workers in this situation.

I had three cases last night of people who had been working for 25 years and who then had an injury on the job, a very serious injury. After six months, section 41a is not applicable any longer. Why? Because the board, in its wisdom, decides to refer them to a psychiatrist. The psychiatrist says this worker is not injured any longer from a clinical point of view, but he's suffering from a psychological or psychiatric problem which pre-exists the accident. In some cases we have workers who have been working for 29 years—as was the case with one worker yesterday—and they have been functioning perfectly on the job. All at once they find themselves excluded from benefits because of this so-called psychiatric problem that they never noticed. What happens quite often is that psychological problems and certainly tensions arise within the families because of the fact that they are sent to psychiatrists and doubts are cast on their ability to function within the family. The benefits are also cut in that instance.

[2:30]

In this regard, I would like to raise another point that has to do with the implementation of the Workmen's Compensation Act, specifically sections 41 and 42 of the act. The board's assessment for permanent disability is based on a chart we all know. Usually it is very low. It is extremely difficult for a worker to get recognition of his disability in terms of his functioning in a job he can perform. This applies even more so for many workers, especially workers of ethnic background, so they may function in the labour market in a different capacity. The actual policy of the Workmen's Compensation Board in such cases is to suggest that the worker apply to the Canada Pension Plan for a disability pension.

What happens if a worker receives a CPP disability pension given to disabled workers? The Workmen's Compensation Board washes its hands of the worker and says he is no longer employable. On the other hand, the Workmen's Compensation Board doesn't give him a total disability pension; it gives him only a 15 per cent disability pension. In that case, section 42(5) of the act no longer applies, nor does section 41a, which is one of the amendments introduced by the minister.

The minister should take this into serious account and try to change it. We have cases where injured workers are assessed by the board, presumably because they have a permanent disability, and since this situation cannot change they don't qualify under section 41a of the bill. So at the same time they assess them as having a permanent disability, they send them to the Canada Pension Plan, thus excluding them from the supplement they should receive from the board until they can be reintroduced into the marketplace. But these workers have no recourse at all at that point.

I submit to the minister that either the board should review fundamentally the assessment of disabilities or that they not tell workers to apply to the Canada Pension Plan. I realize in many instances we are giving the board functions that do not pertain to it. Retraining and helping the workers to find a job should not be a function of the WCB. I say to the Minister of Labour and Manpower (Mr. Elgie) that there should be a department of the government to look after these problems similar to the departments in many other jurisdictions which are looking after the employment of injured workers.

I understand the resistance of this government to the introduction of a quota system, or any other system, which would make the abolition of work not compulsory by the implementation of a system that would actually re-employ the injured workers. I submit to the minister that the present system doesn't work. We can find Band-Aid solutions which will work today, but tomorrow we will be faced with the same problems.

Dislocation is enormous among injured workers and their families. I don't think we are doing justice at all to them or to our society by creating such pitiful situations. So we support the bill because it is long overdue, but we are also unsatisfied. I want to file my answers as unsatisfactory.

Mr. Bradley: Mr. Speaker, I can see the member for Downsview (Mr. Di Santo) has got revenge on the two leaders of the opposition for the time they take up during question period. He has made a significant contribution to this debate.

I won't go over the material he has covered. He's gone into, in some detail, some of the problems confronted by individuals in our constituencies who have problems with the Workmen's Compensation Board.

I will say briefly that we in the opposition appreciate this particular piece of legislation in that it has been a long time coming and it is certainly very much needed in terms of those who are to be the recipients of these funds. Nevertheless, I would bring to the minister's attention, as I'm sure many members have and will, the bureaucratic problems that exist with the Workmen's Compensation Board.

There are some people in my constituency who would suggest the best thing that could happen to the WCB building, would be its disappearance through the use of fire. Needless to say, I wouldn't be amongst those who would counsel arson. But it does indicate to us that there is considerable dissatisfaction with the administration of the Workmen's Compensation Act and that there are many who have spent weeks, months and years of frustration in attempting to deal with the board.

If I were to log the calls that come into my constituency office, I would venture to say—and I would be on very good ground to say—the largest number of inquiries I get at my constituency office revolve around the Workmen's Compensation Board. This is in a city where we have a local Workmen's Compensation Board office where people have direct access, not only by telephone—although the lines are always busy because of the number of situations that arise—but also to the office itself. Nevertheless, the largest number of calls that come into my constituency office deal with various aspects of the problems they are confronted with.

The member for Downsview has enumerated a number of these problems. They cause me concern and lead me to believe that in addition to a bill of this kind which, as I say, is certainly welcome, we do require a substantial change—and I know there is a study going on—in administration. I say this even to the point—and I know it's almost heresy in these days of restraint to suggest this—of perhaps employing more people in the board, certainly claims adjudicators, which I believe is the category we talk about, so these files can be processed more quickly.

I think all of us, as members of the Legislative Assembly respect the fact that the Workmen's Compensation Board wants to eliminate these people who are attempting to get money for illegitimate reasons. Nevertheless, the overwhelming majority have a compensable injury and are frustrated in their efforts to get the money and get it on time. So many of these people are living on a week-to-week basis and have very little in the way of savings. With the present rate of inflation, and other situations in the province and right across this country, we recognize there is a need for a quick way of dealing with their particular claims.

After this bill is passed today—and I anticipate it's going to be passed, since all parties have approved—I urge the minister to use his good offices to hurry any evaluation of the present administrative system and create a situation where people can get service as soon as possible and the new funds that are forthcoming will be forthcoming on the kind of basis that is satisfactory to those who are to receive the moneys.

It is with some degree of enthusiasm that I cast my own vote in approval of this particular bill, and I encourage the minister to continue making this a more progressive field rather than a more conservative field in terms of this government.

Hon. Mr. Elgie: Mr. Speaker, I'm sure members will forgive me if I'm relatively brief in my response.

I would like to advise them that, rather than take the time to cover the many valid comments that have been made, many of which didn't relate to the particular matter at hand but all of which were important, I am going to ask my staff to make sure those comments are reviewed by the committee that will be set up next month to start considering the paper. I thank members for the contributions they have made. They have all been very important contributions; some longer than others, but all important. I am not even concerned that they are concerned.

I think members have recognized that we are seeing two things here today. One is an interim piece of legislation which I felt—and we all share the feeling—was necessary to upgrade the pensions injured workers are receiving, because we all face the same cost increases. There have been some criticisms of section 3, but to my mind it adds a new concept, the concept that injured workmen on long-term temporary disability pensions should receive an annual increment, as well as those on longer pensions. That is the position I took, and I put that in this bill. I feel it should be a regular feature of any compensation package.

By far the most important portion of the dual package, in terms of principle, is the white paper. The paper encompasses many of

the things members have raised, such as the need to re-evaluate the basis on which we provide pensions. In regard to this—and I think those members who take the time to read it will find it interesting—there are some communities that are basing their pensions on what is called an earnings-related scheme. It avoids many of the problems that have been raised here today. There is an escalation of the ceiling which is automatic; there is an escalation of pensions which is automatic; all of this has a greater sense of equity and provides what I think is a more just and equitable concept with regard to the injuries workmen may receive.

That isn't to say the suggestions in the paper are the only ones. As I indicated in my opening statement, this committee which we will set up will be prepared to receive other options or suggestions for change. I look forward to seeing those, and I look forward to hearing from members with regard to them.

The member for Dovercourt asked about timing. It is my intention to announce the establishment of the makeup of this committee early in the new year, and I would ask it to report by the summer. It would be my intention, so long as the complexities of the matter don't interfere, to have legislation ready for the fall. Should that not be possible for some reason, then I would intend to bring in legislation similar to this, comparable to what we have seen today, again as an interim measure, with the long-range view that I have of legislation, which is to make corrections with regard to the inequities we have all been aware of.

Motion agreed to.

Ordered for committee of the whole House.

House in committee of the whole.

WORKMEN'S COMPENSATION AMENDMENT ACT

Consideration of Bill 209, An Act to amend the Workmen's Compensation Act.

Sections 1 and 2 agreed to.

On section 3:

Mr. Chairman: Mr. M. Davidson moved that subsection 1 of section 41a of the act, as set out in section 3 of the bill be amended by striking out "may" in the fourth line and substituting in lieu thereof the word "shall."

Motion agreed to.

Section 3, as amended, agreed to.

Sections 4 to 9, inclusive, agreed to.

Bill 209, as amended, reported.

[2:45]

On motion by Hon. Mr. Elgie, the committee of the whole House reported one bill with an amendment.

THIRD READING

The following bill was given third reading on motion:

Bill 209, An Act to amend the Workmen's Compensation Act.

CONCURRENCE IN SUPPLY

MINISTRY OF AGRICULTURE AND FOOD

Mr. Riddell: Mr. Speaker, I am pleased to see that the Minister of Agriculture and Food (Mr. Henderson) has been able to come into the House to handle this concurrence. I understand he was ill this morning, and I certainly wish him a speedy recovery. I know he has had a bout with some ill health that has kept him out of the House. I would say he has a tough portfolio. There is probably a lot more heat in the kitchen than he ever expected when he accepted that position. Before it ruins his health, I hope he will take a walk to the Premier's office and say: "We've had two previous ministers who have undergone bad health because of the responsibilities that have been placed upon us in this ministry. I really think it is a young man's game." I hope he does that before something happens, such as happened to the two former ministers.

Bill Stewart stayed on a year longer than he wanted to and, as a result, suffered a heart attack, and his successor, the member for Durham-York (Mr. W. Newman) underwent some bad health which was probably due to the onerous task that was placed upon him in the ministry. Now this minister has been ill, and we certainly don't want to see anything happen to him. If he finds his responsibilities are greater than he would like to see and it is going to lead to bad health, my suggestion is to get the heck out.

There are a number of activities and inactivities on the part of the minister and his ministry that I want to comment on this afternoon. Back at the time of the last election, there was a great announcement made by the government that it was going to start a greenhouse project up at Douglas Point to make use of the waste nuclear heat. Maybe there was considerable merit in that kind of project, but I think the government could well have informed us about a project that was undertaken in the Sudbury area. I'm sorry the members from Sudbury aren't here

to confirm whether such a project indeed did get started. This project apparently was called Sudbury 2001. The NDP, being the eternal pessimists that they are, always painting doom and gloom, feel that by the year 2001 nickel apparently is going to run out; in other words, there won't be a nickel industry in Sudbury.

My understanding is that a number of reeves, the warden of the area and the three NDP members got together, along with the president of the university, and took a look at what kind of industry might be developed in the area to replace the nickel industry. They started this project, Sudbury 2001, and what the project consisted of was getting a German involved in going down to Texas and buying something like 300 goats, bringing the goats back and selling the goats to a number of farmers in the area to get a mohair business started.

This German chap they involved apparently started selling shares in a mohair co-operative. It is my understanding the government rendered some financial assistance to that project; I don't know how much. My understanding is the government, to save embarrassment, didn't want to reveal this particular project. The NDP certainly has been very quiet about it because I think they are a little embarrassed. Part of the embarrassment is based on the fact that when they studied the project they based their conclusions on the production of wool from sheep. We all know there is all the difference in the world between the amount of wool a sheep will produce compared to the amount of hair a goat will produce.

It is my understanding the project fell through when some of the shareholders in the co-op approached the German about a written agreement, and after the German had sold $1 million or so worth of shares in the mohair co-op he told them to get lost. So I assume there was one person who reaped the profit.

What I want to know is, who in the world ever supported that kind of project? I guess the NDP members from Sudbury thought their country was similar to Angola and they would be able to raise goats and start a mohair industry to replace the nickel industry, and this government got taken in by rendering some financial assistance. What I want to know is, how much financial assistance was actually rendered by this government to this project in which the NDP members were very much involved but didn't want to say too much about?

The second matter I wish to bring up is the rather serious state of the chicken industry in Ontario at present.

Mr. Foulds: And there is the leading chicken.

Mr. Nixon: That's the turkey over there gobbling.

Mr. Wildman: Be careful, the member for Huron-Bruce (Mr. Gaunt) doesn't like that.

Mr. Gaunt: I'm very sensitive about those turkey remarks.

Mr. Riddell: You will notice the NDP all carry turkeys under their arms. They use them for spare parts, I understand.

Mr. Wildman: You have two turkeys which fly lopsided; they have two right wings over here.

Mr. Riddell: I am wondering what kind of involvement the Minister of Agriculture and Food (Mr. Henderson) has at present in courses of action that the chicken producers of Ontario can take now that his appeal has been lost. We know that the national agency increased this year's quota by 25 million pounds over last year's. Quebec was to get—I find this unbelievable—18 million pounds of that 25 million pounds, Ontario was to get four million pounds and Saskatchewan was to get 3.8 million pounds; yet by far the greatest consumption of chicken takes place in Ontario.

When that allocation was made, it is my understanding the chairman of the Farm Products Marketing Board, who was a signatory to the agreement, reported to the minister. I will commend the minister; he did take action, he said he would appeal it. The minister, through his ministry, appealed it; and the chicken producers appealed it. I understand the hearing was held a week ago today and the appeal was denied.

It reminds me of the Premier going down and fighting for Ontario, for more reasonable rates of increase in oil, and of course he lost. Obviously, the Minister of Agriculture and Food lost the appeal. It is very hard to understand the reason, unless of course there was a bit of politics involved in this. No one can understand the reason that the agency would give 18 million of the 25 million pounds to Quebec, whereas we have the production and the consumption in Ontario.

It is my understanding the minister has suggested we are going to have to take other courses of action. What I would like to know is, what are those other courses of action? My understanding is that the national agency simply told the Ontario chicken producers that if they didn't like it to pull out of the

agency. What kind of attitude is that on a part of a national chicken agency, to tell them the only alternative they have is to pull out of a national supply management system? Maybe the minister could comment.

I was a little disappointed that the minister didn't take more action, along with the federal minister, to try to get more reasonable imports of chicken coming into this country from the United States. The federal minister, John Wise, did not personally go to Washington to negotiate; he sent one of his bureaucrats. The minister here did not go down, or send any of his staff down with the civil servant from the federal ministry, even though he knew full well that Ontario stood to lose because we happen to be the largest importer of chicken in Canada. The minister should have said to John Wise: "Look, both of us should be going to Washington. We should drive a hard bargain, because if we don't we are going to lose the chicken industry here in Ontario." If that had been done, we might have got somewhere. As it was we are seeing a substantial amount of chicken being allowed to come into Ontario this year, and an increase next year and the year after. I hate to think what that is going to do to the chicken industry.

Another thing the minister should look into in connection with the importation of chicken is the fact that import permits are allotted to holders of record. In other words, Maple Lodge Farms has priority in receiving import permits. When Maple Lodge Farms applies to the marketing board for more birds, the producers won't release them to Maple Lodge, because they know that the processors who normally take their birds will not have the opportunity to replace those chickens through an import permit. If these import permits were freed up, available to anyone, the producers could supply the chicken.

Also, as long as Maple Lodge Farms know they are the importers of record, because they are by far the largest importer of chicken into this province, they are not going to contract for Ontario birds; at least not when United States chickens are expected to be lower in price, which is most of the time owing to the lower production costs in the United States—they have lower labour costs; they don't have the overhead costs because of the warmer climate; and they don't have to provide the energy to heat the houses that these chickens are raised in. The minister should comment on these import permits allotted to holders of record.

[3:00]

Another thing I want to bring to the attention of the Minister of Agriculture and Food—and I think it has to be an embarrassment to him and his ministry—is that the member for Essex South (Mr. Mancini) continually pleaded with the minister to work with the greenhouse growers in southern Ontario and render some assistance to them to try to find alternative sources of energy. They asked for some financial assistance to do some research, because there's no question that the cost of heating those greenhouses is by far their greatest cost, and the Minister of Agriculture and Food turned them down.

This didn't stop the member for Essex South. He approached the Minister of Industry and Tourism (Mr. Grossman). Through the good graces of Duncan Allan, a man over there for whom I have a great deal of respect, the minister has seen fit to give financial assistance so research can be done whereby they can find a cheaper source of energy.

Why in the world, since greenhouse production is an agricultural matter, would the Minister of Agriculture and Food turn thumbs down and leave it to the Minister of Industry and Tourism to render assistance to the greenhouse producers in southern Ontario? That is his responsibility, and he should be embarrassed for turning them down and letting one of the senior staff members of the Ministry of Industry and Tourism say, "By all means, we feel something should be done, and we're going to do something."

It's my understanding that this didn't make the minister's people very happy, and I'm not too sure they haven't tried to scuttle the whole project. But they're not going to do that, because Duncan Allan feels there is a lot of merit in trying to assist the greenhouse growers with their product down there; believe me, he will see it's done.

If I were to offer the minister any advice, I would urge him to say, "I'll be pleased to co-operate in any way that I can," rather than trying to stop a project that is certainly worthy of some government assistance.

Yesterday, I introduced a bill to amend the Farm Products Marketing Act. It stemmed from the inquiry which we asked for last year and which the former Minister of Agriculture and Food wasn't too anxious to have; that may be one of the reasons why that minister is not sitting in the seat of the Minister of Agriculture and Food today.

I know the former minister has had some ill health too, but I believe he was on the wrong side of this food inquiry thing. He couldn't change because of the assenting vote he made back in 1973 on a committee. He

was on the wrong side of that issue; he was also on the wrong side of the foreign-ownership issue. As a result, and because of his ill health, we no longer find he's the Minister of Agriculture and Food.

I'm a little disappointed by that, because I will say one thing about the former minister and his predecessor: they sat in the House. Very seldom did you see them outside this House. If there were questions to be asked, we had an opportunity to ask them questions. That hasn't been the case with this minister. If that has been because of ill health, then I express my apologies for raising the matter; but I'm not too sure it has been ill health that has kept the minister out of the House.

As I have indicated to the Premier on occasion, if this is some kind of a ploy to keep the minister out of the House because we ask some questions that may be an embarrassment to the government at times, maybe it's best not to have such questions answered; I don't know. But I believe it's the minister's prerogative to be in the House to field the questions that are asked by the members—and believe me, there are a lot of tough issues in the agricultural communities today, and we want to be able to ask questions and get answers.

We try putting the questions to the Premier, knowing full well we're not going to get the answers. We try putting the questions to the Ministry of Industry and Tourism, only to have him tell us it doesn't come under his jurisdiction; it comes under the jurisdiction of the Minister of Agriculture and Food. So we're at a loss to know where to go for the answers to our questions when the minister fails to come into the House time after time after time.

There is a lot of concern, not only in the rural areas but also in the urban areas, about the foreign ownership of land. This minister, I will agree, is endeavouring to do something about it, although I am not too sure he's going through the proper sources. The last announcement he made was that he was going to have future foreign investments approved by cabinet. That was one of his alternatives, I believe. Well, that's just politics.

Why doesn't the minister take a look at the bills that have been introduced—the bill that I introduced, followed by the bill introduced by the member for Middlesex (Mr. Eaton)—simply asking for the disclosure of all lands that have been purchased with foreign capital. Let's get a handle on the matter. If we find it is going on to a greater extent than the minister thinks it is, and I am convinced it is going on to a far greater extent than might meet the naked eye, then we can always legislate to restrict the amount of land that falls into the hands of foreign investors.

Surely we are not going to sell out our primary resource, which is good agricultural land. We have sold everything else out, including our industry—the members over there have a branch-plant philosophy—and I certainly don't want to see the same thing happen to our good agricultural land. I don't know why the minister simply can't introduce, at the next session, a bill similar to the bills that have been introduced by myself and by the member for Middlesex. All we are asking is that we get a handle on how much of this land is falling into the hands of foreign investors.

We also should be doing something to help farmers who are losing livestock because of predators. Here again, I introduced what I thought was a good bill, which would help the farmers to control the predators, but no action has been taken by this government. The bill was written up in Farm and Country magazine, and Ontario Federation of Agriculture fully supported that bill—the federation being the spokesman for the farmers—and yet for some reason the former Minister of Agriculture and Food and this Minister of Agriculture and Food have ignored the fact that we do have problems with predators and that they can be resolved by introducing legislation similar to that which I introduced as a private member's bill.

All I ask is that the minister do some homework over the Christmas recess. Let him take a look at some of these bills—at the foreign ownership private members' bills and at the predator control bills—and then bring in his own bills in March, and I am sure they will get speedy passage through this House so as to keep agricultural land in Canada in Canadian hands and so we will be able to assist the farmers in protecting their livestock against predators.

I also wonder what kind of assistance the Minister of Agriculture and Food is going to give to our young farmers today in view of the high capitalization they are facing, in view of the high interest rates they are having to pay and in view of the high energy costs they are going to be faced with, which reflects on the prices they are going to have to pay for fertilizers such as nitrogen fertilizers, which are derived from oil.

Perhaps the minister can comment on what assistance he is going to render to try to keep our farmers in business. Would he consider reinstating the junior farmer loan in view of the fact that the Farm Credit Cor-

poration seems to have been limited in the amount of money it can give out to farmers, and farmers can't get the money; if they do, they are paying now an interest rate of 12 per cent on that money and, with this land costing $2,000 to $3,000 an acre because they have to compete against foreign investors, there is just no light at the end of the tunnel unless we are prepared to assist those farmers in some way. I would like to hear what the minister has in mind for these farmers, not only those trying to get into the business, but those who are in the business but will be facing bankruptcy. As the Ontario Federation of Agriculture says, within the next two or three years we are going to see more bankruptcies in the agricultural community than we have ever seen before. I don't think we want to see that happen, and I want to know what kind of assistance we are going to render.

The member for Nipissing (Mr. Bolan) and I met a delegation of farmers from that part of the country. They don't feel this government is doing one darned thing for them up there. One of the things they mentioned is the subsidy paid on western grain. I would like to know why there is a differential in the amount of subsidy paid. In Timiskaming they get $13.50 a ton; in Nipissing, $3.50 a ton; and in Sudbury, $6.50 a ton. What could possibly be the reason for there being that much differential in the subsidy they receive on their grain?

Another thing they are asking is that grants be made available for more storage facilities in northern Ontario. The co-ops could handle far more of the grain that is grown there. Also, they would like to get into the bulk fertilizer business. They would like to see grants made available by this government so they could expand their storage facilities not only for the product that is grown but for the fertilizers they have to use. In southern Ontario most farmers have gone to bulk fertilizers; in northern Ontario they still have to use bags. If this government would make some kind of assistance available for more storage facilities so they could store the fertilizers in bulk, then the farmers could use them in bulk, which would be far less costly than the present system used in northern Ontario.

Maybe we should be rendering some assistance in transportation. They tell me it costs $22 a ton to transport grain and other products from Guelph to a place like North Bay; so we can understand the problems they are having in northern Ontario. There is a great potential for more agricultural production there if this government will assist the farmers with storage facilities and transportation. I want to ask the minister what programs are available and what programs he is planning to assist the agricultural industry in northern Ontario.

I know others want to speak; so I will conclude by saying Ontario's new Minister of Agriculture and Food seems to be having some trouble adjusting to his high-profile, powerful position. I was astounded to learn that when the minister was sitting with the dignitaries at this year's Royal Agricultural Winter Fair, he sent a note down to the judge who was culling the 4-H calves, advising him not to send any of the Lambton county 4-H members' calves out of the ring. I could not believe that. As minister, he is representing 4-H club members right across Ontario; not just Lambton county 4-H club members. Before he became minister, I could understand giving crisp $50 bills to the senior citizens back at the time senior citizens were given a bonus. It might have been good politics to have been able to take those bills and deliver them personally to the senior citizens. But now that he is minister, he must not discriminate against any of the farmers or 4-H members in Ontario. He represents them all. I think it's a terrible piece of business to send a note to the judge saying he isn't to send any Lambton county 4-H calves out of the ring. The minister is far from just another Lambton county fan and he should take care to recognize that fact.

[3:15]

Furthermore, it is my understanding that he threw a reception at the taxpayers' expense and invited only 4-H members from Lambton county.

Mr. Eaton: That's not right.

Mr. Riddell: If that's not right, then the minister had better be suing a reporter, one of the best agricultural reporters I know of. He had better sue him, because it's right here in black and white.

Apparently this party got out of hand and about 200 people showed up at the public trough, according to the information I have here. Certainly many other worthy 4-H club members from other counties and regions of Ontario have good reason to be jealous.

The Minister of Agriculture and Food has a double problem in that he is in a portfolio once held by Bill Stewart, who had a reputation for being quite a gentleman. I'm not suggesting this minister is not a gentleman. I treat him as a friend, but I do think he has to change his ways as a minister. He can't be doing favours for those people in

the riding he represents, because once again he represents all of Ontario.

I should hasten to add that the Minister of Agriculture and Food is probably doing his best.

Mr. Lawlor: But he's learned some strange ways.

Mr. Riddell: He's probably just being himself. But if the minister's performance falls short of the mark it's more of a reflection, as far as I'm concerned, on the Premier and his opinions of farmers and agriculture than it is a condemnation of the Minister of Agriculture and Food. Members can read into that what they like, but I put a lot of the blame on the Premier because he doesn't give a damn about agriculture in Ontario.

I was going to say the Premier perhaps had some talent to put into that particular portfolio, but I'm not too sure. That caucus over there is so lacking in people with any kind of agricultural experience and knowledge that he must be hard-pressed to know who to put into that position.

When it came to choosing a minister, the Ontario Federation of Agriculture called me. They had four names selected, and they asked me to give my opinion on those four names; which I did, quite willingly. When it came to commenting on the Minister of Agriculture and Food—he wasn't in the portfolio at that time—I will admit that I indicated he was a good guy; he held a lot of respect in his riding, he was able to go around and call practically everybody by name and he would be a hard man to defeat in that riding. I gave him a lot of credit, but I also said he was the old pork-barrel type of politician.

Believe me, when I see this business of sending notes down to judges, telling them they're not to send any Lambton county calves out of the ring, and when I see parties being thrown at taxpayers' expense for the 4-H members of Lambton county, I have to believe that what I said was pretty accurate. I simply say the minister has to change his ways. He's representing Ontario and not just Lambton county; so let's hear what he's prepared to do for—

Hon. Mr. Davis: As long as they're not members like you.

Mr. Riddell: Oh boy, I finally brought the Premier in.

Hon. Mr. Davis: Did you have a pleasant lunch?

Mr. Riddell: Yes, I did; I had a very good lunch.

With those few comments, I'll let the other members speak, but I would like some answers to the questions I have raised as to what the minister is going to do for the agricultural industry in Ontario, what he is going to do for the farmers who are encountering problems at the present time and what he is going to do for northern Ontario. Give us some answers and maybe we will be able to assist and co-operate in every way we can when we come back in the new session.

Mr. Speaker: Before I recognize the member for Algoma, I would like to recognize and pay tribute to a group of people around here who I would characterize as the unsung heroes, the people behind the scenes and under the gallery who perform yeoman service, not only for their ministers but for literally all of us in the House. They have attempted to make my job a little bit easier. They are the IBEABCHHDM and PCRs around here; they are the international brotherhood of executive assistants, bag carriers, hand holders, drink mixers and phone call returners; they have helped make my job a little bit easier around here. They dared me to wear this on this dais, this T-shirt which says, "Get to the point." I want to say to them, on your behalf, thank you very much for what you do for all of us around here; and thank you for the T-shirt.

Mr. Wildman: Mr. Speaker, I don't know exactly what the point of that T-shirt is, since you chose to get up and show it before I spoke.

I want to make some comments on concurrence in the Ministry of Agriculture and Food estimates. The main point in dealing with these estimates is the very small percentage of the total provincial budget allocated to agriculture in this province. I think all members on this side of the House will agree that 1.5 per cent of the total provincial budget allocated to agriculture and food is a demonstration of the lack of priority that is provided by this government for the agricultural industry, which is certainly one of the most important industries we have in this province. Unless we make a great commitment to it, we face serious problems for the future.

I would like to know how the minister can justify this very small percentage of the total provincial budget that is allocated to agriculture. Is it an example of the fact that he and his predecessor were particularly ineffective in persuading the Chairman of Management Board of Cabinet (Mr. McCague) and the Treasurer (Mr. F. S. Miller) that they needed to have additional funds to encourage the agricultural sector in this province? I would hope the minister will be able to

respond adequately and give us some kind of assurance that in the next fiscal year we are going to have a greater commitment made to the agricultural industry in this province.

I want to make a couple of comments in regard to the statements made by the Liberal critic with regard to the NDP members from Sudbury. First, the very fact we are talking about something like the goat industry in Sudbury is an example of the fact that this government, over 36 years, has been a complete failure in terms of an industrial strategy for northern Ontario in general and for the Sudbury basin in particular.

The fact that the Sudbury 2001 committee had a choice between something like growing worms or mushrooms in the mine shafts or going to the goat industry is an example of the kinds of choices we have in northern Ontario under the Conservative government when it comes to choosing between primary resource extraction and any other type of economic development for our area. We are so dependent on mining and lumbering in our area of the province that when those industries slow down, or when the companies that exploit those resources slow down in production, there are just no other options. We're left to such hokey suggestions as producing worms or mushrooms in mine shafts as saviours for the economy of our areas.

It is somewhat ironic that the Liberal member would make comments with regard to the goat co-op in the Sudbury basin in the terms he did and talk about the NDP members. I wonder whether he has checked out his comments with the regional chairman of the Sudbury basin, who may be a federal Liberal candidate and who was very much a sponsor of the 2001 committee as well as a member of the board of directors, as I understand it, and a real booster of this whole program. It is interesting that the Liberal member would make those kinds of comments. I wonder if Mr. Frith has had any opportunity to make any kind of input on his comments. I suspect that the Liberal member was just trying to get our goat. At any rate, that is a little bit outside the purview of these estimates and the concurrence debate, but obviously if we are not going to have any kind of industrial development, we do have to scrape around for all kinds of hokey little suggestions to provide jobs in our area.

I want to comment on a couple of other things. First, I would like to make some comments with regard to the inquiry into the food industry, which was pushed for by both opposition parties with regard to the suggestions of kickbacks and so on made by the retail segment in the agricultural industry.

I'm very concerned, as are the other members of our caucus, that this inquiry may never come to anything; that the inquiry has not and isn't in the future, and the ministry itself isn't, going to deal with the main problem, which is vertical integration in the food industry. The fact is that the same investors, the same companies, own the whole industry, right from the production end all the way through to the retail end, involving the processing, packaging, marketing, transportation, and even the equipment production field, in the agricultural industry.

I know that with the ideology of this government it is not going to take any action in that area at all. It is not interested in dealing with those problems, and as a result the inquiry may become a little bit of a façade and we won't really get anything out of it. I'm quite concerned about that.

As the previous speaker indicated, the former Minister of Agriculture and Food initially wasn't interested in the inquiry. He said it wasn't necessary; he didn't believe that we should hold it. When he was forced to move on that, the personnel chosen for the inquiry were such that it wasn't going to be an exhaustive investigative study but rather one which dealt with the most obvious problems and didn't go into the basis of those problems and deal with the real difficulties we face with the oligopolistic approaches of the large investors in the food industry.

I want to comment on a couple of other things. First, there is the whole question of foreign ownership. I know this has become a major concern in the rural areas, the matter of foreign investors purchasing rural lands. Even in my area, in southern Algoma, we've had the problem for some time of American investors coming in and purchasing good farm land and in many cases letting it go to waste.

We now face a situation in which the German investors are interested in our area and in purchasing land, mainly for speculation in recreational land purposes. In other words, they are buying up land and letting it sit, sometimes renting it to other farmers, in the hope that in the future they will be able to sell land for recreational purposes at a great profit. This has a tendency to drive up the cost of land so much that the farmers in the area, the neighbours of an individual who is going to sell out, are just out of it in terms of being able to purchase the property and the land often goes out of production. I think this is a serious problem.

[3:30]

Again it is somewhat ironic the Liberal members are raising such a fuss about foreign ownership of land, when you compare that with the performance of their federal colleagues in Ottawa who have sold out this whole country. The fact is, their federal colleagues set up something called FIRA, the Foreign Investment Review Agency, to deal with foreign ownership in the manufacturing industry, and industry in general in Canada, but we all know that 95 per cent of the applications for foreign takeovers are approved by the federal government, by their federal colleagues in the past. As a matter of fact, they were agreed to by this government as well, because the Ministry of Industry and Tourism is involved in discussions with FIRA and making recommendations to FIRA; they acquiesce to almost all the decisions of that agency.

So here we have a situation where the Liberal Party and the Conservative Party in this country are willing to make a big fuss about foreign ownership of land but to do absolutely nothing about the foreign ownership of our resources and of the industry in this country. It is a situation in which the federal colleagues of the official opposition here had to be pushed to set up anything at all that might interfere with the so-called free enterprise system like Petrocan and now are trying to claim credit for it. As far as I am concerned the two of them are one and the same; they are both involved with foreign ownership when they are in power, and when they are out of power they are opposed to it.

Mr. Gaunt: That's the line of your federal leader; you can't run the federal election campaign here.

Mr. Wildman: That is exactly right; and he is right on. As far as we are concerned, Mr. Speaker, a plague on both their houses. The two of them are like, if I might paraphrase a comment made by the federal Minister of Finance in talking about these two parties in Ontario, it is not tweedledee and tweedledum, it is tweedledum and tweedledumber.

If we are going to be serious about dealing with foreign ownership, it must be dealt with as an integrated policy. We shouldn't talk about foreign ownership of land in a vacuum; we shouldn't talk about foreign ownership in industry or in resources in a vacuum. If we are concerned about foreign ownership, the question is the nationality of the investment that is taking place in this province and in this country. We should deal with it as an overall problem. I am concerned about foreign ownership of land, but I am also concerned about the foreign control of our resources. They have to be dealt with together.

I would hope this minister would do something about foreign ownership of land, more than simply calling up clerks and finding out what is happening, but I hope he would do it in concert with a program of the Treasurer and the Minister of Industry and Tourism (Mr. Grossman) to deal with foreign ownership in general.

I would also like to comment in this concurrence debate on the announcement made by the Minister of Agriculture and Food with regard to his equipment policy and what appears to be his complete acquiescence to the farm machinery manufacturers in their proposal for a voluntary code. We need a system where farmers, in the season, whether it be planting or harvesting, when they are using their equipment and they face an equipment breakdown, can get the parts they need so they don't have a long holdup. The minister has acknowledged that, but he has gone along with a voluntary program, even though the Ontario Federation of Agriculture has indicated it doesn't think a voluntary program will work, it is not acceptable and that we need a system such as they have in the western provinces; a system which I used in preparing my private member's bill. I wonder why the minister hasn't accepted that program. He talked very tough when he was first appointed, but he seems to have completely backed off and acquiesced to the farm machinery industry.

I know the minister has said if the voluntary code does not work he might be willing to consider legislation, as proposed by the Ontario Federation of Agriculture.

I would like to know from the minister, what is the time frame he is talking about? How long will be the trial period before he is able to determine whether it has worked? If it has worked, fine. But if it doesn't—and I don't know what in the industry in the past has given him the faith he seems to have in the industry—how long is he going to wait to determine whether he should go ahead with legislation?

I would also be interested in finding out how he is going to enforce the voluntary code, because the farm equipment board, which is supposed to be responsible for administering this program, has absolutely no legislative power. All the board can do is talk to the various parties concerned—the farmer, the vendor or the machinery manufacturer—and try to work out some kind of an agreement. If that doesn't work, there is nothing in law that

is going to require a machinery manufacturer or vendor to live by the code.

I can't understand, when the federation has made its position clear, why the minister isn't moving ahead with legislative power. This is a particular problem for farmers in northern Ontario, as I know it's a problem all across the province, but in the north it's even harder to get the parts one needs when they are needed, because there aren't very many dealerships in the north and if a farmer is in the middle of harvest he is in real trouble.

In terms of the problems of northerners, the previous speaker talked about the problems we have with transportation and the need for some kind of assistance in terms of transportation. I would be interested in the comments of the minister. I would also like to know what the minister has to say about the proposal of his colleague from Cochrane South (Mr. Pope), who is now a cabinet minister, who introduced a proposal for a food terminal in Timmins. I would like to know what the minister is going to do about that. Or has he got the problem of some kind of a disagreement between the member for Timiskaming (Mr. Havrot) and the member from Timmins as to where a food terminal, if it's going to be established, should be located in northern Ontario?

Many farmers in southern Ontario don't realize the clay belt in that area is probably one of the richest in terms of fertile land in Ontario. It has a tremendous potential for farming. It's true we don't have the same heat units they have in southern Ontario, but there is a potential there and it's one that should be tapped.

I know the former minister talked a lot about the future of agriculture in northern Ontario and, because the government was unwilling to do anything about the gobbling up of good producing land in southern Ontario, he was willing to move to encourage the agricultural industry in northern Ontario. His colleague who now is one of his cabinet colleagues proposed something he thought would encourage agriculture in the north, and I wonder what the minister's position is on that.

I would conclude by saying that the overall policy of the Ministry of Agriculture and Food with regard to the funding of agricultural programs in this province is quite dismal. We have 1.5 per cent of the total budget allocated to agriculture. I think that is a crying shame when we hear all the comments from people on that side of the House about their commitment to agriculture. It's about time we ended all the talk and they put their money where their mouth is and came across with some programs to deal with the problems facing agriculture in this province so we don't face a situation in the year 2000 where we are going to be importing most of our food in this province instead of producing the food we need.

Mr. Gaunt: Mr. Speaker, I want to make a few brief comments with respect to the rutabaga producers' marketing board. I understand it is a very new board; it just got going in August of this year. We have talked about chickens, turkeys and goats, and I think it would be appropriate to throw turnips into the mix as well.

The marketing board—and again I underline that they are just getting started; I guess they have all the growing pains that any marketing board would have under the circumstances, but I noticed this particular fall that the price levels for rutabaga started out at between $1.75 and $2 per 50 pounds. That was on November 5 when the marketing board thought that there might be a shortage, because 40 per cent of the crop was still in the fields and the snow was coming. It didn't look good that the farmers were going to get that crop off, particularly in Huron county, which is the main producing county in terms of rutabagas, as the minister knows. Later on the weather picked up, and we got a little warmth. The snow left and the farmers were able to get off their crop, I think almost 100 per cent, so there was a much bigger crop than the board anticipated. As a consequence, the price dropped back to $1.50 as of December 6.

My concern is with the export market. I think there are some problems in the day-to-day operation of the board, but I am prepared to overlook those and chalk them up to lack of experience, growing pains and all the rest of it. What does concern me, with the operation of the board, is the loss of export markets.

I know the marketing board requested that it get more power, particularly powers to control the price outside of Ontario; it was seeking an extension of those powers from the federal government. I understand that has been put in abeyance and that they are not going to get that power. I think even the board itself has backed off. I notice that the largest wholesaler in Ontario, Stovel-Siemon Limited of Mitchell, which is in the riding of a prominent member of this House, our Deputy Speaker, indicated that as far as they were concerned they didn't want the power extended because they feared the board would use it to set minimum prices at destination markets in the United States.

I said my main concern was the export market. I want to indicate to the minister and the House some figures which rather startled me. First of all, let's take Prince Edward Island. These are figures ending November 30, 1979; they don't go beyond that. In 1978, Prince Edward Island exported only 14,660 bushels. This year, so far, they have exported 33,540 bushels. New Brunswick in 1978 exported 1,700 bushels; this year, 15,960 bushels. Quebec didn't export any in 1978; this year they have exported 1,000 bushels.

In Ontario, in 1978, we exported, for the August-November period, 750,323 bushels; this year for the same period we have exported 633,506 bushels, for a difference of 116,817 bushels. We have dropped by 116,817 bushels in the export market. That's being picked up by the other provinces, as I have indicated. It is also being picked up by Wisconsin. Wisconsin is going into the rutabaga business in a big way and is certainly in a better position to put rutabagas into New York, Texas and Boston at a cheaper price than we can. We simply can't compete at the price levels that are being asked, or have been asked up until this particular point in time.

I draw this to the attention of the minister, and I raise these red flags, warning flags or whatever you like, because I think what is happening is that in many cases the price into the export market is being quoted, but it isn't the true price. I just have to take a look at the price for December 5 into Boston. Our quoted price, delivered to the jobbers in Boston, was $4.40 a bushel, and they were reselling the very same rutabaga for $4.25 to $4.50.

It's pretty obvious to me that the $4.40 quoted price was not the real price. There's a quoted price and then there's a real price. Obviously, those jobbers in Boston are not going to take a loss on those rutabagas. When they're selling them at $4.25 and paying $4.40, there's not much money in that; so I don't think one has to be any great genius to figure out what's going on there. They have a quoted price and then there's the real price in the marketplace.

I think that the minister and ministry officials should be concerned about that and about the figures I've just cited as to what's happening in the export market with respect to rutabagas. It has been a good export commodity for us and I would hate to see us lose it. According to the figures which I have just put on the record, it appears that something fairly dramatic is happening with respect to the export trade. I don't like it and I don't think the minister should be too happy about it either. I think our farmers in this province can compete on any basis with Prince Edward Island, New Brunswick, Quebec and even Wisconsin. Despite the fact they do have certain advantages, I think we should be able to compete.

I raise those points with the minister and I hope he will respond and, even more important, take a look at what's happening with respect to the operation of the marketing board and do something about it. He should certainly raise the issue with the board officials and see if those things cannot be corrected in the bud before those problems mushroom and become even bigger than they are now.

Mr. Deputy Speaker: The member for Kent-Elgin.

Mr. McGuigan: Thank you, Mr. Speaker.

Mr. Deputy Speaker: Order. I'm sorry I missed the member for Carleton-Grenville.

Mr. Sterling: Thank you, Mr. Speaker. I just wanted to congratulate the minister on the successful negotiations that have taken place among the federal Minister of Agriculture, the provincial Minister of Agriculture and Food, the Treasurer of the province and the honourable minister for DREE, Elmer MacKay.

This morning I was in my riding in Kemptville, where I saw the signing of the eastern Ontario development agreement. This agreement has been in negotiation for over one year. Prior to the May 22 election our government tried to negotiate with the former federal government to have this agreement signed.

Eastern Ontario drainage is extremely important. It's important because, unfortunately, eastern Ontario has not been in the drainage business as long as some of the other parts of the province. When the Agricultural Redevelopment and Rehabilitation Act program was unilaterally cut off on December 5, 1978, by the federal government this was to the extreme detriment of agriculture in eastern Ontario.

Originally, we had hoped to sign this agreement on April 1 of last year. However, negotiations dragged and dragged. Our government was willing to sign the agreement on April 1 of last year, which could have alleviated a lot of problems that existed in some municipalities over the past year. Little has been done in drainage in eastern Ontario in the last year. The provincial government continued to pledge its one third towards municipal drains, but the one third from the federal government was not there.

However, on May 22 of this year eastern Ontario representatives of rural areas were elated that there was a new government and hoped there would be a new attitude towards negotiations on this very important agreement. That culminated this morning in the signing of the agreement. It was a $50-million agreement, of which $23 million was directed towards agriculture.

An important part of that agreement was the undertaking of extensive work in the South Nation watershed conservation area. This accounts for $9 million of the agreement. That watershed has been having considerable problems because of its nature. While waiting for negotiations to be completed, our province has continued to pledge funds towards dredging and studies to determine the reservoir capacity of various areas of the watershed.

In the signing of this agreement this morning, it would seem by the co-ordinated efforts of the federal and provincial governments we will finally be able to bring this work on much faster than we could have if the province had to fund all of it. It was with extreme pleasure that I sat down with the Treasurer (Mr. F. S. Miller) and the Honourable John Wise, the Minister of Agriculture for Canada, and signed this agreement.

I want to impress on the Minister of Agriculture and Food that he gives his continued support to drainage in eastern Ontario, not only in the form of drainage ditches but also in the form of tile drainage debentures, and that when he is making his allocations for those programs he remembers we are still in a stage of infancy in some of these programs. It is not sufficient to allocate to some of the townships in eastern Ontario a percentage increase in tile drainage debentures because in many cases there was not in the past an outlet for that kind of activity. As we get into new drainage ditches and new municipal drains in eastern Ontario, the outlet will be there and there will be more demand for tile drainage loans to finance these undertakings.

I would like to add my congratulations and thanks to the Minister of Agriculture and Food for his part in this matter.

Mr. McGuigan: Mr. Speaker, I want to take a few minutes on the Ministry of Agriculture and Food concurrences to remind the minister that I asked him last week about a ruling by the Supreme Court of Canada regarding the inspection of apples by the Canada Department of Agriculture. As he will remember, the court ruled this was not a federal matter but a provincial matter.

Since the country-of-origin markings on retail packages are controlled by the Canada Agricultural Products Standards Act, the act which the court at least in part struck down, the question in my mind, and I think in the minds of a great many producers in Ontario, is whether or not some emergency legislation should be passed before the end of this session so that between now and the reconvening of the federal Parliament products are not marketed in Canada with the designation "Product of Canada," when they are imported products. The minister has not given us an answer as yet on this question.

I would like to point out that this is also of great interest to chicken producers and a matter of grave concern in the province over the last few months. I would point out to him that under the Canadian Agricultural Products Standards Act all of the chicken that is sold at retail is marked "Product of Canada." In the case of birds that are on ice or, in other words, not protected by a plastic covering, there is a metal tag on the breast of each bird saying "Product of Canada." In the case of products wrapped in polyethylene or some type of film, it's printed on the film. Of course, the annoying thing to producers is that US birds imported into Canada and killed here also go out and are sold in the stores marked with the designation "Product of Canada."

In spite of the joking reference the minister has made as to whether or not chickens can be marked—and I think his reference was always to live birds—we would point out, as my friend here says, it's a bit hard to eat a live bird. I guess the feathers get in your way.

I would also point out to the minister that the federal legislation, the 1975 labelling act, the act that covers French and English markings and metric markings on retail packaging, also says products sold at retail should show the country of origin. I will admit in one clause of that act it does say that exceptions may be made, but I can't think of any reason why one would want to except US chickens or any other products that are clearly US products and which are not really processed in Canada. The argument is made that if a product is brought in and is canned, cooked or mixed in a prepared stew or is a prepared meat, that it has been manufactured in Canada and, therefore, is a product of Canada. I find that a rather thin argument to use with birds that are brought in, the feathers taken off, eviscerated and then sold in that form.

I see by this note, Mr. Speaker, that my time has expired. I would hope the minister would answer some of these questions.

Mr. Martel: As an old farmer from way back I would have to comment on these estimates. Having the great knowledge of farming that I have, I feel I have to contribute. I want to set the record straight.

Hon. Miss Stephenson: What is it you grow?

Mr. Martel: I grow goats.

My friend, the member for Huron-Middlesex (Mr. Riddell), who is loose with the lip and spoke about the embarrassment to my colleagues and me with respect to what transpired in Sudbury recently, constantly shoots from the lip without any facts, as he did with the situation in Centralia with respect to the UAW. He did it then and on this latest situation I must say he hasn't got a clue as to what he is talking about. But that is not unusual.

Let me get the record straight.

Mr. Kerrio: How much stock did you buy in the goat farm?

Mr. Martel: I think I have a share in half a goat.

Hon. Miss Stephenson: Which end?

Mr. Martel: The back end, it doesn't eat. It won't cost me anything.

[4:00]

I want to tell you what happened, Mr. Speaker. As you know, when they started closing down mines and had massive layoffs, the government of Ontario gave seed money to the tune of about $600,000 to an organization called Sudbury 2001. It was a group of people who volunteered their services in an effort to try to bring to Sudbury and district some diversification. Out of it came one Mr. Shaffernicht. He made a proposal to 2001.

I should tell my friends right now that those members of the Legislature and those members from the federal House who allowed their names to be on the board of directors did not attend a meeting. They are held on Monday nights and if you check my record the only Monday night I missed was when I took a fishing trip. I think the Minister of Labour (Mr. Elgie) was there. That was the only Monday I missed all spring.

That agreement with Mr. Shaffernicht was reached in those two or three months and no politicians, either provincial or federal, attended any of the meetings. So when my friend talks of embarrassment he knows not of what he speaks.

In late August, my colleagues, the members for Nickel Belt (Mr. Laughren), for Sudbury (Mr. Germa), for Nickel Belt federally, were approached and were told, "You know, the agreement went through but this bird Shaffernicht, who has got charge of the goats, has run amok." We couldn't control him. No one could control him, He would sign legal documents and the next thing you knew Shaffernicht was off doing his own thing anyway.

When we realized Shaffernicht was doing this, a meeting was held in late August to try and bring this bird under control. At that point my colleagues and I met, we insisted that legal counsel be there and we insisted that this bird be brought under control. I must tell you at that time his goats were stuck on an island, Mackinac Island, I believe. He couldn't get them into Canada because they had—what is it?—blue tongue fungus. He couldn't get them into Canada because of the possibility of them having blue tongue fungus.

Mr. Riddell: Must have been NDP goats.

Mr. Martel: I am going to come to what they were. I am going to tell the member what they were in a few moments.

It is interesting that when we met, all of the businessmen wanted to take an equity in this co-op. My colleagues and I, who are known for wanting an equity, refused to have an equity in the co-op. Can you imagine it, Mr. Speaker? The socialist horde did not want an equity, for a change, because we have seen enough equities in places like Minaki Lodge and we weren't prepared to go that route. But I want to tell you the people who wanted the equity were not socialists, they were the usual type of free enterpriser who will bail any bankrupt company out. We weren't prepared to do it.

Nonetheless, as a result of that initial meeting in late August and a couple in September and October, we eventually reached the point that so many things had been committed that we had to approach the Minister of Consumer and Commercial Relations in an effort to try and prevent Shaffernicht from selling goats. Every time he had a shortfall on his credit he would go out and sell another 10, 15 or 200 goats, another share in the co-op, and he would then pay off his own loan.

He was a good businessman. I am not sure whether he was a Liberal or a Tory. He was a businessman, the type I am acquainted with. That is why I find them so offensive at times. But he would sell another flock of goats and fire them off somewhere and those of us who were concerned indicated this couldn't go on. We went to the minister and said, "Look, you have got to send investigators in." The reason we did it is that we don't want to see 2001 go down

the drain and silly comments like those made by the member for Huron-Middlesex do not enhance the possibility of 2001 being credible. There was no reason for us to be embarrassed, but there was an effort to ensure that 2001's credibility didn't go down the drain and it become incapable.

Mr. Kerrio: Is it still active, Elie?

Mr. Martel: No. We got a court injunction about a week ago and the crown now is in charge of the goats, so that our friend Shaffernicht can't move in and sell any more. I thought my friend from Middlesex would want to know who was on the committee before I—

Mr. Eaton: Middlesex-Huron, don't mix us up.

Mr. Martel: Pardon me, Huron-Middlesex. The regional chairman, who will be a federal Liberal candidate, was on that committee. The Liberal I defeated last time was on that committee and I might say the politicians didn't attend any of the meetings. I thought the member might want to know that. Just for once he might want to get his facts straight.

The reason we attempted to protect it was so that 2001 didn't lose its credibility, which might have seen some diversification in the Sudbury area. But as for embarrassment, heaven forbid, I didn't vote; I wasn't there. And if I were going to embarrass anyone, I could have had fun kicking the hell out of the Tories and the Liberals who wanted to take equity and we did not.

I just thought I would put that on the record.

The final point. I hear my friend from Huron-Middlesex talk about land. I want to tell him he should check with his colleague from Rainy River (Mr. T. P. Reid) about the sale of land to Americans. He might listen to some of his comments up north and on the CBC, when he opposes the socialists wanting to see land only sold to landed immigrants or to Canadian citizens or, better still, that we retain the policy of leasing land which was so successful.

The member for Huron-Middlesex had better talk to his friend. Wherever they are in the province, the Liberals like to speak out of both sides of their mouths at the same time. They sit back trying to suck and blow at the same time, because depending on where they are, that's what they say.

If it's safe down here to say, "We want to protect land," fine. If they're up north and they want sales of land, they say, "Sell the land." What the hell do they want?

Mr. Riddell: I'm not Pat Reid.

Mr. Martel: That's fine. Is there any consistency? Yes, there is. The only consistency over there is the Liberal inconsistency. As I said many times, they're like Xaviera Hollander. They've got more positions than she ever dreamt of.

Mr. Kerrio: I'm consistent. I vote against you all the time.

Mr. Martel: I'm glad to hear that. If the member for Niagara Falls voted with me, I would figure I was wrong and I would change my vote.

I don't want to take any more time of the House, but I wanted to put those two things on the record, to show their consistency.

Mr. McKessock: Mr. Speaker, on this concurrence of supply for the Ministry of Agriculture and Food, I would like to say I am not happy with what is happening in agriculture in Canada and in Ontario particularly. There are a few points that bother me. One is the age of the farmers. Another is the disappearance of farm land. The third is how Ontario is dropping in its percentage of the share of Canadian production. The fourth point is the amount of the Ontario budget that is spent on agriculture.

Although we do hear the minister saying from time to time there are more young farmers going into agriculture, the census still shows that the majority of farmers are in the age bracket of 45 to 54. This bothers me a bit because that's the age bracket I'm in and I think more of getting out of it than getting into it at that age.

Concerning the disappearance of farm land, we see this happening around us all the time. Some will argue that we don't need it, we're well fed. This is true for today, but I feel we should put a stop to the extravagant use of farm land. Toronto uses more prime farm land than any city in Canada. I think this is very disturbing. If we don't need it for the production of food right now, we should be using it for producing energy crops—something we are short of at this time.

On the other concern I mentioned, about Ontario dropping in its percentage share of Canadian production, Quebec is moving ahead of us in several areas there. We used to be the top producers in pork production and now Quebec has moved ahead of us.

I think we can maybe learn a few things from things that have happened in other provinces—why they have come out in front of us and why we are dropping behind in our percentage share of production. I think it is that they have put a greater importance on agriculture than we have here in Ontario. When you look at 1.5 per cent of the Ontario

budget being spent on agricu'ture, I don't think you can say that is giving it very much support. This is why I have introduced a resolution into the House, that w'll be debated when the House resumes in the spring, which deals with this subject. It states that the government should take immediate steps to see that Ontario farmers are competitive with other farmers in other provinces in Canada and in other countries in the world.

In this regard I would ask the minister what steps he has taken at this time to see that rural hydro rates could be lower, the interest rates to farmers could be lowered; these are some things on which Quebec farmers have an advantage over us. Further, how much and when are we going to get all the money we need for tile drainage; when are we going to get an increased incentive program? The eastern provinces have had such a program for several years; their program stands at $20,000, whereas ours has stood at $3,000 for the last 12 years and is continuing at that rate.

If the minister would take a long look at these things and if he can put them in place before we come back for the next session, if these things can be corrected I will gladly withdraw my resolution. As it stands now, if steps haven't been taken I will gladly reintroduce my resolution again at the next sitting of parliament and will look forward to debating it, I believe the third or fourth Thursday after we return.

I say these few words, Mr. Speaker, because I would like to see that Ontario agriculture receives the attention it deserves.

Mr. Laughren: Mr. Speaker, I just wanted to ask the minister a question. Many of us are concerned about the lack of a thriving sheep farming industry in Ontario. We would like to know what you are going to do to improve it?

Hon. Mr. Henderson: It is a pleasure to rise today to respond to the honourable members in concurrence of the vote for the Ministry of Agriculture and Food.

In responding to the member for Huron-Middlesex (Mr. Riddell) first on his references to Sudbury 2001, the member for Sudbury East (Mr. Martel) has given a very good explanation of it. I might say I did know a little bit about that operation as the Minister of Government Services. The member for Sudbury East did take me to the site and I had an opportunity to view the farm where they are going to pasture these goats. Beyond that, any grants are through the Ministry of Northern Affairs.

I believe the member for Sudbury East suggested that grant was some $600,000. My only disappointment was I really felt the member for Sudbury East was going to be around to make the mohair and help in the shearing. I suspect he will be up there.

Mr. Riddell: Was $600,000 expended on that project alone?

Hon. Mr. Henderson: Mr. Speaker, the agreement that I signed was with the region of Sudbury for the particular property. As I understand it, the Minister of Northern Affairs also had an agreement with that group through the region of Sudbury. Whether it was $600,000, it didn't come under my jurisdiction.

Members of my staff met yesterday with the greenhouse operators. In 1980 and 1981 we are putting forward Wintario funds for research, as I announced last week. The one problem we worry about is that there might be duplications through different ministries, so members of my staff met with the greenhouse operators yesterday to try and see that there is no duplication of these services. We will be putting forward money in 1980 and 1981 for research.

[4:15]

There are many other items on which I would like to respond. On foreign ownership, I have a pretty good survey from the municipal clerks. We estimate there are about 16 million acres of agricultural land in Ontario. We have response back now from over 80 per cent of the rural municipal clerks covering over 14 million acres of land, and less than three quarters of one per cent is owned by people residing outside of Canada; two thirds of that involves people in the USA, one third, people in central Europe.

There are areas in Ontario where this is a real concern, a real worry; but I suggest that these are not necessarily the people who are responsible for driving the prices of farm land up. We do have farm land that has drastically increased in price, but there is no indication of any foreign ownership involvement, it is the farmer living next door who wants to enlarge his operation.

Respecting the young farmers and the help we have been to them, there are many areas where our government has helped not only the young farmers but the farmers of all ages. I need not refer members to the Tile Drainage Act where we have loaned out over $100 million and at the moment we are loaning out $20 million annually. I made a statement last week respecting our proposals re tile loan money.

Mr. McKessock: Some farmers can't get it.

Hon. Mr. Henderson: I would suggest if the municipal councils use the guideline I

proposed last Thursday, it would be more helpful, more farmers would be able to share that tile loan allocation.

There is the matter of the rebate on the taxes, and drainage subsidy. We also have the guaranteed loan for the young farmer, one per cent above the prime interest rate.

The honourable member inquired if I had looked at legislation on foreign ownership. I have legislation here from central USA and from the provinces on each side of us. Yes, I am studying legislation on foreign ownership.

Respecting the chickens, and I feel very strongly about the chickens, I would have to inform the member for Huron-Middlesex that he was wrong. I did go to Ottawa with the chicken producers. I presented Ontario's case to the government in Ottawa before the original decision was handed down. I think I made that clear in this House.

Again last Thursday I made very strong statements about the appeal and about the usage that we as an Ontario delegation received from that tribunal. We had the decision handed down against us on Tuesday of this week. It showed that committee—really, I would like to quote a few things if I may.

"1. Chicken agency followed proper procedure in making the quota order," that is the first thing they said.

"2. The criteria spelled out in plan and agreement for allocation of quota need only be taken into account. There is no requirement on the agency to carry out all of the five criteria so long as they are considered.

"3. Allocation of quota is essential in negotiation situations, presumably council feels that in the course of such a negotiation the agency may depart from adherence to the five specific criteria.

"4. Council has no authority to judge whether the actions of the agency are illegal or not.

"5. Council's authority is confined to studying minor issues. Major issues must be resolved by the signators.

"6. Council is prepared to move up the regulatory signators meeting to an earlier date if requested."

Now I say to you, Mr. Speaker, what is open to us in Ontario? We are not happy with the situation. The figures that the member for Huron-Middlesex quoted are correct. We feel very strongly.

First, we could demand a meeting of the signators. Second, we could apply the reports for an injunction against agencies to prevent the allocation of the quotas. Third, we could withdraw from the national plan.

Mr. Speaker, this occurred Tuesday of this week. I was not feeling as good as I might yesterday or this morning, as the honourable member knows, I have not had an opportunity to get together with my staff. I have asked my staff to meet with the chicken producers to see what they would suggest we should do. So I will leave the chickens at that and I'll go on to try to answer the member for Algoma.

The member is quite aware of some of the responses I got from his particular area. He wants to know about the machinery code of practice. I could tell the honourable member that I am speaking from personal actions on the part of the local machine agents. Maybe I'm a little more fortunate, but the machine agents in the area I come from give exceptionally good service to the farmers in my area. So I'm not in a position where I want to put a higher cost against every farmer if it can be avoided.

The member for Huron-Middlesex referred to the rutabaga—

Mr. Gaunt: Huron-Bruce.

Hon. Mr. Henderson: Huron-Bruce, there is a difference.

The member for Carleton-Grenville (Mr. Sterling) also referred to the DREE agreement this morning. I could go into quite a bit of detail on it, but I just thank our federal colleagues that we're able to get that tied down.

Respecting the member for Kent-Elgin (Mr. McGuigan) in the court action of last week, again I don't have the summary on the court action, but I have instructed my staff to look into the whole situation with respect to the marking of the product. We might not go as far as the member would like, but we are looking at it.

I could go to some length, but in view of the lateness of the day I have made notes of everything that has been said by all of those who have taken part, and I would just like to take this opportunity to wish them all seasons greetings.

Resolution concurred in.

[Later (4:25):]

Hon. Mr. Henderson: Mr. Speaker, before the member for Huron-Middlesex (Mr. Riddell) goes out, I have one more item to which I would like to respond. It's personal, but—

Hon. Miss Stephenson: Too late.

Hon. Mr. Henderson: A point of privilege then, Mr. Speaker.

Mr. Acting Speaker: I'll listen to a point of privilege if it's very short.

Hon. Mr. Henderson: The honourable member referred to an item that appeared in the paper respecting the Royal Agricultural Winter Fair and the direction from the Minister of Agriculture and Food to the judge in the ring. I have inquired of the people who were at the ringside, the only people in contact with the judge, to see if anyone had passed a note to the judge and no note was passed to the judge. I've read the item to which he is referring in the paper.

In addition to that, the luncheon I had for the people of Lambton was paid for by me. I can show the cancelled cheque if the honourable member wishes. I will continue doing it any time I wish.

Mr. Riddell: Mr. Speaker, on speaking to the point of privilege, I am pleased that the minister cleared up that point. As I say I happened to read the article written by Jim Roman, and he spelled out very clearly in the article that a note was sent to the judge by the minister. He also pointed out that a party was thrown at taxpayers' expense and only the 4-H members from Lambton county were invited. I am pleased to hear that wasn't the case, because as I say the Minister of Agriculture and Food is representing all of Ontario, not just Lambton county.

Mr. Acting Speaker: The point of privilege has been presented and answered. We will return to the member for Huron-Bruce.

[Reverting (4:23):]

MINISTRY OF THE ENVIRONMENT

Mr. Gaunt: This is going to be very fast. My House leader is kicking me in the shins here, I'll just be two or three moments.

There's concern about the York-Durham sewer system. I think people are wanting to know whether the water quality of the rivers and streams north and east of Metro, as well as Lake Simcoe, will improve. Will it cut the phosphorus content, the phosphorus loading, and to what extent?

There are other questions about taking growth away from Metro, and encouraging automobile traffic and urban sprawl and all that stuff, but that doesn't really concern the environment. What I'm concerned with is just what I've asked in terms of phosphorus loadings and what it will do to the water quality.

The second matter I wanted to touch on was the Ajax industrial waste treatment facility, the conversion of existing waste water treatment plant to an industrial waste treatment facility to handle 8.8 million gallons of industrial waste per year.

I think that proposal does have some flaws in it. I know the ministry is supporting it. I was surprised to learn that the Simcoe proposal spent about 75 per cent of its time trying to justify and to convince people of the need for a treatment plant of this kind. Well nobody needs to be convinced, everybody recognizes that we need one, so I think that was perhaps misdirected in terms of their approach to the problem. I think only about 20 pages of the report detail the engineering aspects of it and there are perhaps some questions with respect to the engineering and the proposal.

I think the whole thesis of the presentation is a textbook operation rather than taking the practical aspects of it. I think many of these processes have been tried in industry, but when you try and transpose those to converted water treatment plants I think that's quite a different matter and there could be some real operational problems in that plant. I just want to alert the minister to that. I think ministry officials should take a look at that aspect of it before he goes whole hog in support of it. We all recognize the need for it. I hope it works, but I think the minister needs to be careful as to how he approaches that particular problem.

The last matter I want to touch on is the matter of liquid industrial waste; a very important problem and I know the ministry is giving a lot of consideration to this matter. I was very startled to see in the Toronto Sun this morning that only two healthy babies resulted from the 12 known pregnancies among the women living near the Love Canal chemical dump since October of 1978.

What we are dealing with here are very toxic, very harmful and very dangerous chemicals. Over the past two decades, the diversity of industrial chemicals has increased from 500 different types in 1958 to 1.4 million in 1979. Legislation, directly and indirectly affecting chemical control in Canada, is divided between federal and provincial jurisdictions, with over 220 laws and 400 sets of regulations administered by 90 different ministry departments and government agencies.

I think the ministry should require, in the next year or so the pretesting of all substances, as recommended by the committee—the minister undoubtedly remembers that particular recommendation—the pretesting of all substances before they are introduced into the work place and into the environment. I think we could prevent a lot of the danger that results from the use, the transportation

and the disposal of these particular commodities.

Mr. Kerrio: I can't let this time pass to try to impress the minister again as to the very serious consequences that will eventually transpire if the ministry itself and the federal government do not make personal representation to the state of New York where they are now giving some consideration to an application from a chemical company that has a tremendously bad record over the past as it relates to spilling and dumping toxics into the Niagara River. The minister should avail himself of time that's left to make representation to this hearing committee, which is going to reconvene at the end of January, and make known the position of the province of Ontario, that we will not accept pipe being put into the river to be used to dump up to an additional two million gallons of supposedly-treated effluent into that river. The company is asking for permission to monitor this effluent itself. The pipeline would be buried in the bed of the river where no one can see what is happening. We are going to trust a company that in the past has had fines up to $15,000 for mishandling of PCBs.

[4:30]

When the government of New York state advertised in newspapers that they would hear from interested parties who had some knowledge of the chemicals being dumped, that their testimony would have some influence on whether the permit was granted or not, I think it was incumbent on this ministry and on the government, not only to participate in the sense of simply monitoring the hearings but to make their presence known and to tell those people hearing the case for SCA Chemicals that we should not in future allow the dumping of any kind of wastes into that environment without proper monitoring by an independent party.

That hearing is still going on. I have written to the Honourable Flora MacDonald, the Minister for External Affairs, as I have told you, I have written to the Honourable John Fraser, the federal Minister of the Environment; and I am very sorry to say that no one is making official representation to the hearings in the state of New York to try to put a stop to the granting of such a permit, that will have dire consequences and add to the pollution of the Niagara River.

Incidentally, the minister must be aware of the fact that the turning point in the system is the Niagara Frontier, where there are some 200 known toxic waste dumps on the New York side. My colleague has mentioned one, the Love Canal. Love Canal and Bloody Run are names that are going down in history as an indictment of those people who were supposed to protect our environment and who have failed miserably.

There is still time. I ask the minister again to participate in those hearings, to suggest there should be a new, joint commitment by Ontario and by the federal government, if we can get them to move as well, to urge that such toxic elements no longer be introduced into that great waterway, that great heritage we all enjoy.

Mr. McGuigan: I would like to begin by thanking the Minister of the Environment for having come to Blenheim on December 5 to address the council and the people of Harwich regarding the proposed plant to handle liquid industrial wastes and put them into a solid form.

I think the minister will agree that the people, who have very grave fears on the subject and who suffer from the legacy from the past to which the member for Niagara Falls just referred, which conjures up horrible spectres of disease, birth defects and so on in people's minds, have legitimate concerns about more and more of these wastes being brought into the township of Harwich. This township is already doing a great deal as regards its social responsibility in handling wastes and allowing a landfill site and lagoons to be used for waste disposal.

In speaking to the minister prior to the meeting in the presence of the reeve, Mr. M. Van Gassen, the reeve brought up the subject of the apparent unfairness of the fact that the minister is providing up to $100,000 to Browning-Ferris Industries in the event their proposal to the Environmental Assessment Board is not positively received.

The minister made a point that the Environment Assessment Board is an impartial board. I won't question that they're impartial.

Hon. Mr. Parrott: Shame, shame; that's terrible.

Mr. McGuigan: I say I don't question they're impartial.

Hon. Mr. Parrott: I apologize; I thought you said you did.

Mr. McGuigan: I say I don't question their impartiality. However, in our system of courts and going before judges we don't question the impartiality of the judge either, but I would submit to the minister that if he or I, or any one in this chamber or any citizen, were before a criminal court and we were charged by the crown attorney, it would probably be in our best interests to hire a very good lawyer who is well versed in the

skills of the court and could ask the proper questions and so on, to defend us; or if it was a case of a civil action and we were being attacked in any way by a fellow citizen, it would also be a wise move to have the best possible attorney or advocate that one could have on their behalf.

I would appeal to the minister again to think a little bit more in terms of the people of Harwich township and how they see this as a matter of being pitted against a multi-million dollar company, backed up by funds from the government and with the residents being in the position of having to present their own case with only their own funds.

I know the minister has a problem, and we sympathize with his problem of dealing with these wastes. I'm not taking a position of saying that it absolutely shall not come in; but I think we must put forth every effort, and put pressure on government and the people who produce these materials, to see that every safeguard is taken and is granted to protect the people in the event such a plant eventually does come to our township. God knows I hope it doesn't, but if it does I believe it incumbent upon me and upon the people there to put up the best defence they possibly can.

To give the minister an example, I would refer him to the very valuable insecticide DDT which was eliminated from the market. It was one of the best insecticides ever, because of the fact it was so persistent. When you spraved it on a crop it stayed there and protected that crop over a period of time. But of course that also had the disadvantage that it didn't break down and eventually found its way into the food chain. So we eliminated DDT from our arsenal of pesticides and we moved to other products.

I would suggest to you, sir, that perhaps a question to be answered is whether or not some of the industrial products we're making today should be made if they're going to be so dangerous and pose such a problem for the rest of society.

We're all anxious to leave so I won't carry on any further, but I certainly appeal to the minister to look again at the fairness of the proposal to finance the company, and look at it a little bit from the standpoint of the good people of Harwich township, who after all received him very well and I'm sure he has good feelings towards them.

Hon. Mr. Parrott: The member for Huron-Bruce was rather brief. I will reply to his comments in detail and will send every member of the Legislature a copy of that reply.

The other two members spoke on items I had previously dealt with, and as my Christmas present to you, sir, and through you to the members of the House, a merry Christmas. I will note their comments. Thank you.

Resolution concurred in.

MINISTRY OF NATURAL RESOURCES

Mr. Foulds: Mr. Speaker, the whip of our party has whipped everybody into line, kicked their shins and we will have no further speakers on the other concurrences. In return I am speaking for about 10 minutes on this one, so I beg the indulgence of the House. That means in the new session I don't get to speak for the first month.

I want to bring to the minister's attention an issue that has been brought to his attention before, that from what I have found out since we debated the estimates of the Ministry of Natural Resources I think it absolutely imperative that the Ontario government now set up an entirely and totally independent task force to inquire into the iron-ore industry.

Due to the incompetence or deliberate neglect by the Ontario Conservative government, the iron-ore industry in Ontario is in serious trouble. In the past two years, almost 1,500 iron-ore miners in Ontario have lost their jobs. Four mines out of the nine that we had in the province have closed.

Hon. Mr. Bernier: You know what Mel Bartley said about your comment.

Mr. Foulds: Yes, and he was wrong.

Hon. Mr. Bernier: You're wrong.

Mr. Foulds: No, no. He's wrong, Leo.

Marmoraton Mining Company in Marmora closed March 31, 1978, laying off 282 workers. National Steel at Moose Mountain, near Capreol, closed June 1, 1979, laying off 226 workers. Steep Rock, near Atikokan, closed January 1979, affecting 600 workers. The latest closing was of Caland Mines, November 21, 1979, with its pelletizing operations to close in April 1980, affecting a total of 480 workers altogether. Over 1,050 have lost or will lose their jobs in Atikokan because this government, and especially the Ministry of Natural Resources, has done nothing, even though they knew the corporate decisions taken by CP Investments, which now controls Steep Rock, and Inland Steel, which controls Caland, would seriously threaten the existence of a one-industry town, Atikokan.

Firstly, such a task force needs to examine the controlling interest that CP Investments now has assumed in mining properties at Steep Rock, Bending Lake and Lake St. Joseph and CP's controlling interest in one of

Ontario's major steel producers, Algoma Steel of Sault Ste. Marie. What is interesting is that ever since CP took control of Steep Rock in 1976 and took major interests in Bending Lake and Lake St. Joseph, there has been, I believe, a deliberate slowdown in Ontario of iron-ore mining development, and an especially severe slowdown in the development of the mining industry in northwestern Ontario.

Secondly, the task force I suggest needs to examine the deliberate corporate decisions taken by the steel producers of Ontario; those steel producers are Algoma, Dofasco and Stelco. They have taken deliberate decisions to invest in captive mines in the US, at Eveleth, Hibbing and Tilden, rather than bringing into production iron ore at Lake St. Joseph and Bending Lake in order to create jobs here in Ontario.

Third, a careful and honest evaluation of the amount of ore that the companies are walking away from in the abandonded mines at Moose Mountain, Marmora, Caland and Steep Rock needs to be done.

Fourth, the task force should be charged with the responsibility of developing an orderly plan so that instead of importing 58 per cent of our ore from outside Ontario, we in Ontario begin to develop our own rich deposits at Bending Lake and Lake St. Joseph and to reactivate, where possible, the mines Moose Mountain, Caland and Steep Rock.

[4:45]

This task force needs to be totally independent of the mineral resources group of the Ministry of Natural Resources. That branch of the ministry, and indeed the minister himself, have been pussycats in this whole affair of iron-ore mine closings. In fact, both during the estimates and during the meeting I attended about 10 days ago, when the United Steelworkers made a presentation to the Minister of Labour and the Minister of Natural Resources, it became clear that the executive co-ordinator of the mines group of the Ministry of Natural Resources and the minister himself are merely corporate apologists who are all too willing to accept tamely, at face value, the information the companies have given them. That includes the clipping of the newspaper story the Minister of Northern Affairs has referred to.

There is no desire by that branch to have independent assessments done in a reasonably thorough, geological fashion. Naturally, the figures given to the ministry by the corporations put the decisions of corporate profits ahead of decisions favouring the well-being of people in communities such as Atikokan.

It is very strange that when you go through—and I won't read them all into the record—the US Securities Exchange Commission's reports for Steep Rock Iron Mines, which give us information in far more detail than anything we have available here in Canada, time and time again until 1976 Caland very clearly states in its report to the securities commission—and Caland leases its pit from Steep Rock—there will be at least 16.3 million tons of iron ore in the assured and reasonably assured category available. I think that is serious evidence that should not be disregarded, just because one of the geologists who's been on staff and has been giving those figures to the company changes his mind in the last year.

I also quote briefly from the 1975 annual report of Steep Rock Iron Mines. "If Caland Ore Company terminates mining operations in the C ore zone in 1979 as planned, it is calculated that 16.3 million tons of ore economically extractable by open-pit mining will remain, all in the reasonably assured category.

"If Caland's announced plan is implemented, Steep Rock will have access to the C ore zone in late 1979. However, one to two years will be required to do the advance stripping necessary to prepare for providing plant feed on a continuous basis. If means can be found to provide continuity of ore supply through 1979 and 1980, it is probable that Steep Rock can continue mining on an economic basis until C ore zone reserves are fully recovered."

I submit that Steep Rock was saying that back in 1975 and 1976 because they had reason to believe it. An excessive amount of ore has not been extracted since then and they said it in their annual report in order to keep their stocks up and in order to keep confidence going in the company and things have not changed today.

What really shocked me at the meeting I had with the minister and in the estimates is that the director of the minerals group was far too willing to apologize for the corporate decision taken and not to do an independent study. He was far too willing to say the company tells them there are only 5,000 to 10,000 tons left. That is not the way for a government to protect the interests of its citizens.

I understand the necessity for a corporation to have a profit, and I understand the necessity for profit in our type of economy. But the people of Ontario have invested in communities like Atikokan million of dollars

in schools and hospitals and road facilities and so on, and we deserve protection for our investment too. It may mean that people do matter more than profits and that companies should take somewhat smaller profits and yet still make a profit in order to maintain a community like Atikokan.

Next, this task force must obtain and must make public the major study of the future of the iron-ore deposits in northwestern Ontario that has already been done. This study was recently completed by the three integrated steel producers, Algoma, Stelco and Dofasco. To this date this government has not either tried to get access to the study, or if they have, they have not admitted they have it and will not make it public.

I would suggest the task force I recommend contain representations from the Ministry of Natural Resources as well as from the mining industry. There should be representation from the trade union movement and the most probable and most likely representation could come from the United Steelworkers of America, which has, after all, organized most of the mining industry in Ontario. It also should have on it an independent representative geologist from the academic community who has not been previously hired or employed by the mining companies involved. If I may say so, that is where Dr. Bartley's credentials are in question, because he has been on retainer as a consultant for both Steep Rock and Caland.

The task force is necessary because of the miserable failure of the Conservative cabinet committee on the economic future of mining communities to do anything constructive about one-industry towns. You will remember, Mr. Speaker, during the crisis in Sudbury and the Inco layoff, on November 3, 1977, the Premier (Mr. Davis) announced the formation of this cabinet committee on the economic future of mining communities. He stated, and I quote: "The scope and attention of the cabinet committee will go beyond the current difficulties of the Sudbury area. It will be consulting with mining companies, union, municipal leaders and other interested groups in order to develop government policies which will assist all of us in dealing with the problems and opportunities common to communities which are affected by international mining markets."

Two years have now passed since the committee was formed, yet the same problems continue to haunt these resource-based communities. Atikokan is simply the most poignant and latest example of this. I must say, when I today received the written reply to the question I put on the Order Paper, frankly I was astounded. The Premier's announcement about that cabinet committee was a sham. In my view the answers given today proves conclusively that the cabinet committee never met.

Hon. Miss Stephenson: Oh yes, it did sit.

Mr. Foulds: It did? How many times? Why is the government then afraid to tell us how many times? I want to read into the record the answer that was given.

I asked: would the ministry table the dates, times and topics discussed at meetings of the cabinet committee on the future of one-industry towns since the Premier announced its creation in 1977?

Answer: "The cabinet committee on the economic future of mining communities was established by the Premier on November 3, 1977. The committee worked intensively during 1977 and 1978. As with all meetings of cabinet and its committees, the agenda of this committee are confidential."

I didn't ask for the agenda, Mr. Speaker. They didn't even tell me the dates or the times. They haven't the guts to, because the committee has never met. I challenge any spokesman for the government to file with this Legislature proof that that committee has met and if it worked intensively in 1977 and 1978 as is claimed here. What the hell has the government got to show for it? Not a thing.

Hon. Miss Stephenson: Oh, use proper language for goodness' sake.

Mr. Foulds: What the devil, is that better, Mr. Speaker?

Mr. Speaker: Yes.

Mr. Foulds: Mr. Speaker, I withdraw the word "hell." I substitute one of its inhabitants, "devil."

What the devil has the government to show for it? It has not done a single thing to overcome the policy difficulties that face one-industry towns in northern Ontario.

The answer goes on: "The government's further initiative for northern communities have been the chief responsibility of the Minister of Northern Affairs in conjunction with the Provincial Secretary for Resources Development."

Now they have a bakery up there and one or two other minor things, 11 jobs including the industrial commissioner's, but what else have they done? And not just Atikokan. It is important that a policy be developed so those one-industry towns are no longer as vulnerable as they have been over the last 40 years of Conservative government.

Hon. Mr. Pope: Forty years?

Mr. Foulds: Thirty-seven, 38. It seems like 64.

"Because the Ministry of Northern Affairs, the Provincial Secretary for Resources Development"—I am quoting again—"and the board of the Employment Development Fund are currently the best vehicles for dealing with the problems of resource-based communities, the cabinet committee on the economic future of mining communities has been sunsetted" as a number of people want me to do with this speech. I just have a few more remarks that I need to make.

Of all the committees, of all agencies that should not be sunsetted it's that cabinet committee, if you were serious on the future of one-industry towns.

Mr. Martel: You guys are phony, you did nothing; what else is new.

Hon. Mr. Bernier: Go to Atikokan and see if we haven't done anything there.

Mr. Martel: I was there.

Mr. Foulds: I've been in Atikokan. I am going again in January. I say to the Minister of Northern Affairs that the people of Atikokan are marvellous people who are fighting back with optimism and strength but with very little help from this government. I want to say—

Hon. Mr. Bernier: On a point of privilege. I am not going to sit here, Mr. Speaker, and take the comments of the member for Port Arthur.

Interjections.

Mr. Martel: He can't speak he is not in his place. You are out of order, as usual.

Mr. Foulds: Before that, I wanted to say, if there has been—actually, I wanted to pay that particular minister a little bit of a compliment; if anybody has at least tried to do something it has been the Minister of Northern Affairs. The problem is the Ministry of Northern Affairs has had to do jobs on an ad hoc basis. I have talked to some of the staff and they are working very hard but they don't have the framework of an overall government policy which will remedy the structural difficulties of one-industry towns.

Because of the obvious failure of the cabinet committee to come up with solutions to the problems of resource-based communities, it is important that the task force I am suggesting get to work immediately.

Finally—two more paragraphs, Mr. Speaker, just two more—this task force is necessary so that we in Ontario can control our own destiny in the iron ore and steel industries. The interests of the people of Ontario must come ahead of the corporate interests of Inland Steel, CP Investments or National Steel.

There is no way that we in this province should be importing 58 per cent of our iron ore when we have rich deposits lying idle in northwestern Ontario and when the provincial government, according to the Washington Securities Commission, has already made commitments to the companies to develop townsites at Lake St. Joseph.

We must protect, develop and diversify one-industry towns such as Atikokan. We must create jobs, not lose them, in the mining industries. We must supply our steel industry with ore from our mining industry in Ontario.

I hope that the task force, such as the one I am suggesting, will be a modest first step in this direction. I would also hope that the task force could report to the Legislature within a three-month period. Wouldn't that be a nice part of a throne speech in March?

Mr. T. P. Reid: Mr. Speaker, it always amazes me when I listen to my colleague the member for Port Arthur. I don't think he really does himself a service when he carries on in some of the ways he does.

It is interesting, and I would point out to him and my friend from Sudbury as well, that the question of the cabinet committee on one-industry towns was raised by myself almost—

Mr. Foulds: It was raised by the member for Sudbury East.

Mr. Martel: Long before you even got around to it, sonny, long before.

Mr. T. P. Reid: Sometimes I am not sure whether those people operate on stupidity or ignorance.

If they would just keep both feet out of their mouths, I would tell them that in November, 1978 I put a question on the Order Paper that was almost word for word the same as the one the member for Port Arthur has just raised, the answer to which I have here. On December 13, 1978, the answer to my question, practically the same question as his, word for word, was tabled in this Legislature. In May 1979 the member for Sudbury East woke up and asked a similar question. A full year later the member for Port Arthur awakes and asks the same question.

[5:00]

The problem with that particular person is that in this particular case he has a point. As stupid as most of his remarks were, he really has a point.

Mr. Foulds: Mr. Speaker, on a point of order, surely that is not necessary.

Mr. T. P. Reid: You're not going to prove it by standing up.

Late though he is, he has a point. I have raised this in the Ministry of Natural Resources estimates and the estimates of the Provincial Secretary for Resources Development (Mr. Brunelle). There really is a concern about what is going to happen in the iron ore business in northwestern Ontario and in the steel business.

I would agree with my colleague from Port Arthur that some kind of study or task force along the lines that he recommends should be undertaken by the government. I would hope that the government and the minister would seriously consider this matter and perhaps have some kind of preliminary report available to the members when we return in February or March.

Hon. Mr. Auld: Mr. Speaker, I too will be brief. I will refer to some of the matters raised by the member for Port Arthur, but I would remind him that this ministry produced a review of the metal mining industry of Ontario in 1977, which clearly anticipated the situation which now exists. The actual prospects for Steep Rock were indicated. My honourable friend, the Minister of Northern Affairs, was at the opening of the Steep Rock operation some 30 years ago when they indicated at that time they anticipated that the reserves would last for about 30 years.

When Caland leased the ore bodies in 1974, they said they would complete their operations in 1979. I think it is pretty clear from the studies that were made originally and from the design of the pit outlines of the operations, that the ore bodies that were established at that time are the ore bodies which were mined and which are now depleted.

I should point out too that as far as the government is concerned it has been working with the industry with respect to Lake St. Joe and Bending Lake. In 1974 the studies on Bending Lake showed it to be uneconomical at that time, even with the offers of support which the government had proposed in connection with roads, a slurry pipeline and a number of other alternatives. As a matter of fact, to indicate the province's faith in that deposit in the future—and we believe it will be economical in the not-too-distant future—we are at present, through the Ministry of Northern Affairs, building a road from Atikokan via Bending Lake to Ignace, which will make that deposit readily available when the time comes when it can be economically developed.

It appears now that there is a significant decline in the North American steel industry. That is something which was not predictable four or five, or even a couple of years ago in many respects. I think it's important too to remind the honourable member that Canada presently exports some 25 million tons of iron ore or pellets to the United States, and another 20 million tons to other countries.

In Ontario, we import between five million and six million tons of ore in pellets from the United States. Tariffs, of course, are a federal matter. There are no tariffs by Canada on US ore or by the United States on Canadian ore. It doesn't take a small computer to figure out who would be the loser if we got into a tariff battle with the US.

One of the other rather interesting and significant figures shown by the studies that have been made by our ministry and the industry, indicates that even at the present time it is not economic. The ore that is mined in Labrador and Quebec cannot be laid down in Hamilton or in Sault Ste. Marie competitively with the ore which they are now importing from the US, from Minnesota I guess and Michigan particularly. Looking at the high quality pellets which are produced in Labrador and Quebec, those pellets laid down in Thunder Bay today would be at a lesser cost than the ore pellets which have been produced by the Caland Ore Company, or could be produced at Caland.

As a matter of fact, we are updating the major study on the iron ore industry which the ministry did in 1975. I hope we will have the results of that in the not too distant future, and certainly they will be available to this House. As I had indicated in the meeting which took place a couple of weeks ago, between myself and the Minister of Labour (Mr. Elgie) on the one hand and the group from Atikokan and the United Steelworkers, including Mr. Cook of the union, we are actively reviewing the situation of Caland again and we will be doing that on the scene in the not-too-distant future, and I will of course have a report about that later on.

Finally, Mr. Speaker, it is important to point out in connection with this government's concern about one-industry towns, the lead ministry concept, which was developed and which is used for many other problems now, was originally developed to deal with this specific problem and the Ministry of Northern Affairs has assumed that role. I won't repeat the many remarks and speeches that my colleague on my right has given in the past, but I think it's pretty clearly established, in northern Ontario particularly, the

interest and effect that has been generated by that ministry. Before sitting down, I simply remind the honourable members that one of the reasons, a major reason, that the Ontario Hydro thermal generating plant is in the construction process at Atikokan, is a result of the kind of planning and the kind of incentive which the Ministry of Northern Affairs has given and will continue to give.

Resolution concurred in.

MINISTRY OF ENERGY

Mr. Speaker: Shall the motion for concurrence of supply for the Ministry of Energy carry?

Mr. Renwick: Mr. Speaker, I guess I am not familiar with the procedure of the House on the last day. The Minister of Energy was going to make a statement, as I understood it during this matter. He didn't rise in his place. I don't know whether we are supposed to be puppets on strings over here or what.

Hon. Mr. Welch: Mr. Speaker, I can only speak once, we are in the House. We are now in concurrence, the motion is for concurrence. The usual practice is for all members to make their statements and the minister to sum up. I am quite prepared to sum up.

Mr. Speaker: The matter before the House is concurrence in the estimates of the Ministry of Energy. Shall the motion carry?

Mr. Renwick: No.

Mr. Speaker: The member for Riverdale.

Mr. Renwick: Thank you. I thought it had passed.

I suppose I have got to go through the formality of asking the minister if he will now make the statement that he or the Premier (Mr. Davis) were going to make, I thought before the orders of the day in response to a question which I put to the Premier last Friday. That has not been done. There is now a two page statement. The minister says that he wants to sum up. If he sums up, there is no opportunity to talk to him about his statement. I don't know why we game-play in the last dying hours of this session.

Hon. Mr. Welch: On a point of order: The honourable member has already read my statement; I sent it to him. He can comment on it now, I would think.

Mr. Renwick: Mr. Speaker, I am concerned because of the dissolution of the Parliament of Canada and the impending election, to find out what the contingency plans of the government of Ontario are, either alone or in conjunction with the federal government, with respect to any likely anticipated, unlikely, or any other form of possible shortage of petroleum products in Ontario, particularly of fuel oil.

As my question clearly indicated, I am quite aware that Bill C-42, having been drafted by all of the justice experts dealing with constitutional matters, dealt with the situation whether Parliament was in session or was not in session. When they were dealing with it when it was not in session, they also dealt with it on the basis of the disolution of a parliament.

For those members who don't understand it, the national emergency must be declared by order in council of the government of Canada. It was anticipated in ordinary times that the matter would immediately come before the House of Commons for debate, and if the House of Commons was not in session it would be immediately recalled. Any lawyer must obviously fill in the gap when there is no House of Commons in existence.

They did that. They said it would be called after the new Parliament was elected. That's obvious, any lawyer can do that. That doesn't talk to the reality. The reality is that the members of the government of Canada are engaged in a general election campaign across the country. There is a certain degree of vacuum. I know nature abhors it, but there is some vacuum in Ottawa, there is some vacuum with respect to that problem. It is not going to be of very much use to have the Parliament of Canada, some time in March if the present government is re-elected, call a session of Parliament if in the meantime a national emergency has been declared because of a shortage of fuel oil.

My question does not deal with legalities; my question deals specifically and clearly with the reality. Is the minister prepared to tell this House what the contingency plans of his government are, either alone or in conjunction with the government at Ottawa —and in the language of the day, the mechanisms established under Bill C-42—so that we in this assembly will know what the plans the government has in mind will be should an emergency be declared in this period between now and some time in March?

I would like to know, for example, does the government intend, if there is a national emergency, to recall this assembly? If they are not going to recall this assembly, would the government agree, out of courtesy, to keep our colleagues in the Liberal Party who are the critics for the Ministry of Energy, my colleague the member for Carleton East

(Ms. Gigantes) who is the critic of this party for the Ministry of Energy, fully informed on a weekly basis about the figures involved and the question of whether or not there are occurrences, either abroad or within Ontario, which might well trigger the declaration of a national emergency.

[5:15]

We here do not have to think that we need to sit blindfolded from now until that national emergency is declared. There must be something in the interval, by way of contingency arrangements, that the minister should have an obligation to disclose to us in the assembly before this session is prorogued and the next session takes place, which may well be some time in March, as is likely the date of the reconvening or of the first session of the next Parliament of Canada.

We are asking for information. We're not asking for legalisms; we're not asking for that. We've got our own lawyers here. We have the member for Lakeshore (Mr. Lawlor). The minister has the battery of the government members. The member for Lakeshore knows the law, we don't need to be told that. All we want is some basic, fundamental information about the contingency plans of the government so we can understand what the government's preparations are.

We recognize the qualifications that the minister always put on whether there may or may not be a crisis in Canada which will affect the province of Ontario. We understand those qualifications, but we want to know what the plans are when we leave this assembly so we don't go out blindfolded to the public.

Hon. Mr. Welch: Last Friday, December 14, the member for Riverdale raised the questions, with which he has familiarized the House once again, with respect to the federal Energy Supplies Emergency Act and the implications which the dissolution of the Parliament of Canada may have on the administration of the powers under that act, should a petroleum products supply shortage occur before the next federal election. In the circumstances, I think the quetions are quite timely.

If I may, Mr. Speaker, I should like to take a moment to outline to honourable members the powers which the federal Parliament has already put in place.

The federal act was assented to on March 26, 1979, and early this month the Energy Supplies Allocation Board was appointed. The federal legislation is quite clear as to the powers and the responsibilities of the governor in council and the Energy Supplies Allocation Board, both when Parliament is sitting and when it's not. In this regard, I would refer members to parts I and II of the act, sections 11 through 20 inclusive.

In effect, and I think it's important that we understand this, the dissolution of Parliament makes no difference to the ability of the Energy Supplies Allocation Board to administer the powers and responsbilities given to it under the legislation.

The member, when he asked the question, acknowledged that the federal act makes no provision for the administration of the legislation whether or not Parliament is dissolved. I should advise the House that once the Energy Supplies Emergency Act was passed by Parliament, the provincial Ministry of Energy began working closely with the federal Department of Energy, Mines and Resources, and has provided personnel and expert advice to assist the federal authorities prepare detailed contingency plans.

May I also take this opportunity, as we move quickly for concurrence, to reply to a question asked by the member for Grey-Bruce (Mr. Sargent) on December 6 relating to the amount of the advance payments Ontario Hydro has made to date under its uranium purchase agreement with Denison Mines Limited. I'm advised by Ontario Hydro that to date it has advanced $25.4 million to Preston and $118.3 million to Denison.

As well, during the energy debate on December 6 I advised the honourable members that there was to be a meeting of federal and provincial officials with members of the National Energy Board on Wednesday, December 12. I further indicated that I would report on that meeting. I am very pleased to advise that at the federal-provincial meeting with the National Energy Board on December 12 the board agreed to publicly release its operational data on a regional basis covering the five major areas: the Atlantic provinces, Quebec including the Ottawa Valley, Ontario excluding the Ottawa Valley, prairie provinces and British Columbia. A publication of this data should provide the foundation for better public awareness of the facts.

My understanding is that the data will be made available every month or so, and the first such publication will be around mid-January 1980 covering the period January to November 1979.

I might point out at this juncture that while the initiative for the release of such information came from Ontario, I believe it's only fair to observe that the interest and the

involvement of the member for Carleton East was extremely helpful.

I'm also led to believe that the National Energy Board is endeavouring to present the data in a more easy to understand format.

The January to October 1979 data, which was released to the public on December 7, contains a breakdown of information for two regions, east and west of the Manitoba-Ontario border. The breakdown is more meaningful than the total Canadian data previously published.

It is encouraging to note that for Ontario and eastern Canada the refinery output of main products, that is motor gasoline, middle distillates, which include heating oil and diesel fuel and heavy fuel oil, is up by six per cent over the corresponding period in 1978. I am also encouraged by the decrease in demand for middle distillates of 2.1 per cent, and the fact that inventories over the month of October have increased by one million cubic metres or 220 million gallons. However, I must again stress there is still no room for complacency as inventories were six per cent below that of last year on October 31.

Some honourable members had earlier questioned the quantity of exports of middle distillates, and as can be seen from the January to October data middle distillate exports increased from 0.9 to 1.7 million cubic metres in 1979 as against 1978. Our review of the facts on a regional basis confirms that virtually all of the export activity is in the Atlantic provinces and that it involves the sale of heating oil and diesel fuel by a single refiner to foreign markets. It is important to note that this company has a foreign crude oil process agreement and the exports are subject to National Energy Board approval. It is also worth noting that some of the products originally destined for foreign markets have recently been sold by this company to other petroleum marketers for use in eastern Canada.

Finally, the Premier did give an undertaking to the member for Carleton East that there would be some explanation with respect to the substance of her question as to why the government was allowing Ontario Hydro to conduct an unscientific time-of-use experiment prior to the release of the ECAPS report. I must point out that it is not a question of the government allowing Hydro to conduct an experiment which may have an eventual effect on rates, but rather a case of Hydro taking the initiative on such an experiment, as it is Hydro which has the retail rate approving authority in the province.

I am advised by Ontario Hydro that the experiment is anything but unscientific. The very best and latest techniques are being used to conduct the experiment on 1,000 households, which is considered to be relevant to the population as a whole.

Incidentally, the measurement of electrical use by the 1,000 customers will not physically start until late 1980 or early 1981, depending on the delivery of appropriate metering equipment.

To answer the question of why initial planning is being undertaken prior to the release of the ECAPS report, I would point out the facts as follows: To do a proper cost-benefit analysis of time-of-use rates prior knowledge of customer response is necessary, and in the electrical industry there is a general scarcity of this type of information. The information available at this time is considered to be non-transferable and not necessarily relevant to other areas in Canada or North America. Such factors as weather, economics, mix of appliances and the types of fuels being used preclude the results of an experiment in one area being applicable to another.

It is my understanding that the National Anti-Poverty Organization, the group which raised this question earlier in the week, is in favour of time-of-use pricing. However, Ontario Hydro advises me that for the reasons outlined earlier, it would wish to conduct experiments on time-of-use pricing before considering their widespread implementation at the retail level.

Mr. Renwick: Mr. Speaker, on a point of order: What is the rule under which the minister closes the debate on motions for concurrence?

Mr. Speaker: It is a standing rule here that at times when debate is provided on concurrence, any member can speak on any item contained in the allocation of funds for a specific ministry. It has been a standing order ever since I have been around here that any member can speak and then the minister winds up the debate.

Mr. Renwick: Mr. Speaker, on my point of order, would you give me the number of the standing order which permits the minister to close the debate on motions for concurrence?

Mr. Speaker: Speakers since time immemorial have held that that is the proper procedure when a motion of this kind is before the House. The honourable member knows that many of the rules by which we are gov-

erned around here are set by precedent and practice as well as by the written word.

Are you going to challenge it?

Mr. Renwick: Mr. Speaker, I asked a question. I now want to speak to my point of order.

Mr. Speaker: I've already said that is the format we have used ever since I've been around here and that's the format we're using tonight. If you want to challenge that, you can go ahead.

Mr. Renwick: I don't wish to challenge the Speaker's ruling at all, if it is a ruling. I asked a question and I got the answer that there is no standing order of this assembly which allows the minister to close the debate on motion for concurrence in his supply estimates.

My point of order is that there has been a significant and substantial misdirection by the government of its obligation to this assembly by using this concurrence motion to avoid any questions by giving replies to questions during this motion which should have been given during question period in the House today.

I want to say very clearly to you, Mr. Speaker, that this is I hope the last of a series of incidents which lead me to believe that the government has decided to stop the co-operative operation of this House. I want to say to you that if that is their intention, they will not have the co-operation of this side of the House.

I took the question over to the government House leader yesterday; he photostated it and gave a copy of it to the Premier. The Premier sent me a note to say that the minister would reply to my question in the House today and when I asked the question today he said the minister would give his reply during concurrence. He doesn't have the courtesy to us to stand in his place and give us the answers. He then—

Mr. Speaker: Order.

Mr. Renwick: —permits any questions which pertain to those matters.

Mr. Speaker: Order.

Mr. Renwick: I object, Mr. Speaker, to that taking place and I hope the Speaker will take it under consideration.

Mr. Speaker: If the honourable member will read standing order 49(a), I think he will find there is nothing unusual in the procedure we're following for these concurrence motions.

Resolution concurred in.

CONCURRENCE IN SUPPLY

Resolutions for supply for the following ministries were concurred in by the House:

Provincial Secretary for Social Development;

Provincial Secretary for Resources Development;

Ministry of Industry and Tourism;

Ministry of Labour.

BUDGET DEBATE
(continued)

Resumption of the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

Mr. Cassidy: Mr. Speaker, this is a chance to resume some of the themes we've been putting forward during the course of this session.

When the member for Nickel Belt (Mr. Laughren) first talked about this budget, back in March or April, he called it a budget of lost opportunities. I want to say to the Speaker, this has been a government of lost opportunities not just this year, in 1979, but over the close of the 1970s. We are moving into the 1980s with a government that doesn't know where it is in, doesn't know where we are and doesn't know where we should be going in the province. It is not providing the leadership we need in Ontario in meeting the challenge of the 1980s.

[5:30]

If I look at this past year with regret for what we have failed to do, at the total absence of any legislative initiative coming from this government over the course of the past year, if it is true, as I have heard, that the reason they are not legislating now is that Hugh Segal has been taking unto himself those few slim strands of legislative initiative that are still left over there in order to put them into the throne speech in 1980 in March of this coming year, I tell you, Mr. Speaker, I look with foreboding at what the Conservatives intend to do to Ontario in 1980 and beyond.

We had the question from Quebec today. We have had a year of constitutional crisis in our country as the Parti Quebecois prepared for the referendum this year and yet we are suffering in Ontario from a government which for eight years has failed completely to understand what has been happening in Quebec. Not since John Robarts has there been any sympathy or understanding by this government for what is happening in Quebec and that is one of the reasons we are having problems in the country right now.

Not only that, we have a government which has adopted a policy of confrontation, as was demonstrated by the Minister for Intergovern-

mental Affairs (Mr. Wells) and by the Premier (Mr. Davis) in recent weeks, and a government which has adopted a policy of confrontation, not just to Quebec, but also to franco-Ontarians, as is demonstrated in the deplorable history of the school at Penetanguishene.

Mr. Speaker, this is the government which chose 1979, the Year of the Child, to provoke a confrontation with the children of Ontario and that will be remembered by us all with bitterness. The Year of the Child was the year when the government decided to close down full-day kindergartens in the separate schools of the province. It was the year when it became evident that a whole generation of young people emerging from school were emerging from school to perhaps a decade of unemployment or limited employment because of this government.

Nineteen hundred and seventy-nine was the year the government, because of budgetary cutbacks, got itself in a situation where 28 of the province's 50 children's aid societies are now in a process of appeal in order to try and get a decent amount of funding to carry out their responsibility to the kids in the Year of the Child. Nineteen hundred and seventy-nine was the year of a total freeze in terms of capital allocations for the creation of new daycare centres. That is what they think of the Year of the Child.

Mr. Speaker, 1979 was also the year which was marked by the tragic death here in Toronto of Albert Johnson, a death which demonstrated the ineffectiveness of this government in dealing with racial tensions and dealing with human rights. The impact of that death was enough to persuade the government to bring—

Hon. Miss Stephenson: Such utter nonsense.

Mr. Cassidy: What do you mean, nonsense? It's true. If you understood, if the government—

Interjections.

Mr. Deputy Speaker: Order.

An hon. member: The government ignored the problem.

Mr. Cassidy: Exactly, they let it fester. When the cardinal came up with his report, they failed to understand the report. If they had understood the report, they would not have had that ineffective piece of legislation with relation to civilian complaints against the police.

Mr. Martel: Their answer was to take the sound track out of the House.

Mr. Cassidy: That's right. Thank the comments of the member for Timiskaming (Mr. Havrot) Mr. Speaker.

It is a government which doesn't understand to this day that there are many citizens in our province who are perfectly law abiding who fear to take their complaints about police action to the police. That is particularly true among people in the visible minority communities. The government doesn't understand that, as is clearly demonstrated by the legislation introduced in the Legislature just the other day.

When you couple that, Mr. Speaker, with the fact—

Interjections.

Mr. Speaker: Order.

Mr. Cassidy: After two and a half years of study the government had failed to consult adequately with people who were handicapped in Ontario and then it brought forward legislation which was so offensive to people who are disabled in this province that it finally had to be withdrawn. I say shame on the Minister of Labour (Mr. Elgie) and shame on the government for failing to have a commitment to human rights in Ontario.

These issues speak to the failures of this government, to the fact that they are a tired bunch over there. There isn't any new blood coming up in the back benches. There isn't any fresh initiative coming up through the ranks. Ontario can no longer afford to be run by a caretaker administration that wants to simply cling to power, that just wants to hang on to power without using that power to build new opportunities for the people of this province.

Mr. Speaker, I want to talk about some of the issues which have been important over the course of the last few months.

Mr. Eaton: Hear what the unions think of the member for Ottawa Centre.

Mr. Cassidy: They like me. They don't like the Tories, the member will see that in the federal election.

Maybe my friend from Middlesex doesn't recall, but on November 20 I presented a petition, along with my colleagues here, signed by 275,000 citizens of Ontario which said, "We protest the government's restraint program for health care." Which said, "The quality of health care in Ontario is now threatened by deterioration of services in hospitals and lack of access to doctors billing at OHIP rates." It said, "We are—"

Interjections.

Mr. Deputy Speaker: Order!

Mr. Cassidy: Mr. Speaker, if we did that petition again today we would get half a million signatures across Ontario.

I see the Minister of Health (Mr. Timbrell) is here. One of the things that people said when they signed was, "We are opposed to any form of extra billing by doctors, to extra fees being charged to chronic and other patients and to the unfair OHIP premiums." Where is the action by the Minister of Health on that? The Minister of Health is a signatory to an agreement with the doctors which is going to give $140 million to the doctors of the province next year, which will give them an increase averaging about $6,000 per doctor. In other words, an increase which is equal to the amount that a worker in Ontario earns at the minimum wage for an entire year.

But did the government ask the doctors to stop opting out? Did the government ask the doctors to stop extra billing? Did the government ask the doctors to provide services at the OHIP rates when they are working in hospitals? There was no action like that at all.

We have had a pile of malarkey from the Minister of Health about numbers and so on—

Mr. Eaton: Malarkey? That is you all the way.

Mr. Cassidy: That's right, malarkey—designed to obscure the fact that in major centres of this province, in major specialties of medicine across this province, again and again and again, more than half of the doctors in those specialties are opted out and we have a return to charity medicine in Ontario because of the Minister of Health and because of this government. People are being forced to beg for service at the OHIP rate, rather than getting service on a universally accessible basis.

Not only that, but today in the Globe and Mail the minister reveals that he knew that very high proportions of specialists in many specialties in many communities were opted out.

Hon. Mr. Timbrell: You knew that seven years ago.

Mr. Cassidy: Of course, but the government has the facts, we have the facts as well but the facts have been confirmed today. The minister has known all along. Not only does he do nothing, but he has totally failed even to ask his senior officials to give him the information, let alone act on that information when it's been available. He sat by and condoned the use of collection agencies by doctors to collect extra billing from patients across the province. He has condoned a situation where people have become afraid to go to the doctor for fear of the extra billing. He has condoned the situation—

Interjections.

Mr. Acting Speaker: Order, order.

Mr. Cassidy: Listen to the yapping over there, Mr. Speaker.

He has condoned a situation where there are general practitioners who will not send their patients to the appropriate specialists because they know the specialist has opted out and the patient can't afford to pay the extra bill, therefore they send their patient to get second class care from somebody they know is not the best doctor for that particular job.

Not only that, but last January the Minister of Health, who is accustomed to changing his position regularly, announced he was going to cut the amount of hospital beds in this province by 5,000 or 6,000 over the course of the next two and a half or three years. Today he says; "and I'm going to convert them to chronic-care beds." He didn't say that on January 19, Mr. Speaker; that wasn't his tune then. He has had to change his tune because of pressure from the communities, the hospitals themselves and from the New Democratic Party.

Oh he has $65 million that he didn't have before but that was available in January. He has an appeal process that wasn't available before and yet—

Hon. Mr. Timbrell: Oh yes it was.

Mr. Cassidy: No, it wasn't. Only for medical errors and nothing else. It's in the documents that were sent to the hospitals. The minister has been giving answer after answer after answer, and each one changes because he plays games with the truth in his efforts to cut back health-care expenses in the province of Ontario.

The problems persist in our hospitals. At the Queensway Hospital here in Metropolitan Toronto as many as eight or nine patients are backed up in the emergency ward every night because no beds are available. Across this province nurses and other health-care workers continue to be laid off or continue to face increasing pressure because of the cutbacks.

The American consultant Naus-Newlyn comes along and produces a system where nurses aren't told until five o'clock in the morning whether or not they're going to be called in to work on that particular day. That's the kind of inhuman treatment being meted out to health-care workers. Inevitably, that's translated into a loss of tender loving care and the loss of quality health care in the hospitals of the province.

Mr. Speaker, not only that but the minister has gotten up again and again and said: "We want to innovate. We want to change things in the health-care system." I think the

minister should tell the public why there has been not one new chronic home-care program established and put into operation since the beginning of the year.

I think the minister should explain, if he's so committed to community health, why no new health-service organizations have been created in the province of Ontario this year despite the compelling evidence from places like Sault Ste. Marie that community-based health care can cut hospital days by 40 per cent and thereby save millions, if not hundreds of millions of dollars for the health-care consumers of the province of Ontario.

There are a lot of people in this province who are saying they would like to have community-based health care. If this government had a sense of dealership and initiative, 10 years after the introduction of medicare into Ontario we would have the community-based programs that should have been created by now; we would have the commitment to preventive health care which we should have had by now; we would have eliminated the health premiums that existed prior to 1969; we would have extended health care to include the cost of drugs; we would have extended health care to include dental care, especially for kids. Those would have been done, Mr. Speaker, instead of which we have had a government that's been systematically cutting back in its commitment to health care, particularly in the time that the Minister of Health has occupied his present office. If the Minister of Health is prepared to resign we are prepared to accept his resignation. He's lost our confidence as Minister of Health in the province of Ontario.

Hon. Mr. Grossman: Then he must be doing something right.

Mr. Cassidy: The Minister of Industry and Tourism is off again, Mr. Speaker. It's significant that the Minister of Health says there is no problem, and yet the federal Conservatives have said yes there is a problem with medicare. They have appointed Justice Emmett Hall to look into the problems of medicare. They have accepted there may be a need for the federal government to exert pressure on governments like this which are abandoning the principles of universal medicare that our party has fought for from the beginning of our party.

The split personality of that party doesn't just extend to the questions of medicare. I wish the Minister of Energy would get his stories sraight with his federal counterpart. He has been telling us all fall that the situation was tight but manageable. When Joe Clark said there would be serious shortages, or that we face that risk, what did the Minister of Energy say? He said: "I have been talking to the multinationals. I trust the multinationals more than I trust Joe Clark." I want to tell you, Mr. Speaker, we don't trust Joe Clark and we don't trust the multinationals either.

This winter, Mr. Speaker, we are poised on a knife edge. We don't know whether we are going to be able to get through. We won't have the Emergency Supplies Allocation Board to protect this province. We have Tories at the provincial level and at the federal level who have abandoned their responsibility to ensure we do not freeze in the dark in this province over the course of the winter of 1979 to 1980. We have a federal government which has brought in a budget which over the next four years is going to exact $15.7 billion in additional amounts from Ontario consumers in order to fatten the ayatollahs of Alberta and in order to sweeten the coffers of the multinational oil companies. We have a federal Conservative government which is going to give, if they are allowed to and I hope they aren't, $33 billion to the multinational oil companies free and clear over the next four years. It's an abdication of an oil policy.

We have a federal Tory government which changes its position on Petro-Canada almost every week. We have a provincial Tory government that suddenly sides with Ed Broadbent and says keep Petro-Canada. They say keep Petro-Canada only months after Ontario has sold its shares in Syncrude. How consistent is that, Mr. Speaker? All of this is done with no guarantee that any of the billions upon billions of dollars being drained from Ontario in federal energy expenditures will be reinvested in new energy supply or will be actually used to protect the consumer in the province of Ontario.

All of this is done with no expanded federal commitment to an energy policy, and all of this is done with no major initiatives coming from this government to make energy conservation attractive in the province of Ontorio.

There are no insulation loans. Where's their program? There is no expansion of subsidies to public transit. Where's their program? There are no new building codes. Where's their program? We announced ours three years ago. There is not even legislation for solar energy rights, for sun rights. Where's their program? It hasn't come down yet, Mr. Speaker.

We have a government which continues to press on with spending on electric power generation at the rate of $1.5 billion to $2 billion a year, at the same time they spend all of $15 million or $16 million a year and no more in the areas of energy conservation and alternate sources of energy. We have a government which 18 months ago sold this province's birthright in uranium to Rio Algom and to Denison Mines despite the warning of this party.

In Saskatchewan, the people have a 51 per cent interest in the uranium industry in that province. In Saskatchewan, they are moving towards a 51 per cent interest in the potash industry. That is going to secure that province's industrial and economic future for 2,000 years. In Saskatchewan, they have taken their major resource, which is oil, and through Saskoil, the government of Saskatchewan has a major share of that. In this province, we have abandoned our birthright in nickel; we have abandoned our birthright in iron ore; we are abandoning our birthright in base metals and we have abandoned our birthright in uranium. I say that is not good enough for the people of Ontario.

Nor has the government moved to develop the kinds of industries we are going to need if we want to develop energy in the province during the 1980s. Where is the government's program to develop methanol from wood waste? Where is its program to develop new kinds of insulating materials? Where is its program to develop the electronic control systems that will allow us to use our energy sources more efficiently? Where is its program for co-generation? It isn't there yet because the government won't plan ahead for the 1980s.

A major part of the industrial strategy for Ontario could have been the development of industry based on the energy needs of Ontario, but we haven't had that either from this government. They have run out of ideas for the 1980s. If this government was so opposed to the federal Tory sale of the equivalent of 643 million barrels of oil in natural gas to the United States this government would have gone before the National Energy Board and showed that the formula the NEB was using to justify that sale was in error and that we needed that natural gas in Canada. They said they were opposed to the sale, but when the chips were down they wouldn't prove it before the NEB. They let that natural gas slip through their fingers and away from the homes of the people of Ontario.

Then they turn around and prove that all those election debts back on May 22 were worthless currency. The Premier says the increase in the federal excise tax will not promote conservation and will cause serious financial hardships among the disadvantaged. Then he turns around and plans to campaign for Joe Clark so we can get back the excise tax the Premier says would be so damaging to the people of Ontario.

Mr. Laughren: What a flip-flop!

Mr. Cassidy: It is a flip-flop.

I want to tell you as well about jobs, Mr. Speaker, because this government doesn't care about jobs. This government has done nothing concrete in the past year to create the jobs the people of Ontario are going to be needing over the course of the next decade.

Mr. Rotenberg: Nonsense.

Mr. Cassidy: The member for Wilson Heights should listen for a while.

Mr. Rotenberg: I will be glad to listen if you will tell us something interesting.

Mr. Deputy Speaker: Order.

Mr. Rotenberg: How many jobs did we create? Tell us how many jobs we created.

Mr. Cassidy: My goodness, he really is yappy today. When the budget was delivered, 285,000 people were unemployed in Ontario according to the seasonally adjusted statistics of Statistics Canada. We warned this government at that time that Ontario had to take the lead in job creation, both in the short term and to confront the major structural problems of our industry.

The government hasn't done anything about structural problems like foreign ownership. It hasn't on import penetration. Nothing has been done about the depletion of our resources, the failure of research and development in this province, the failure of skills training in the province and the weaknesses of major industries like the machinery industry and the automobile industry.

Did the unemployment rate go down in November because of this government? Has the number of unemployed gone down because of this government? In March, there were 285,000 unemployed. In November, the seasonally adjusted figure showed there were 288,000 people unemployed in Ontario. We've spent seven months absolutely standing still in terms of combating our serious unemployment problem in Ontario. We can't afford that lost time; we can't afford those lost opportunities in this province. We've got to move forward. We can't stand still.

Mr. Rotenberg: And how many are working? How many were working seven months ago? Give us that statistic.

Mr. Deputy Speaker: Will the member for Wilson Heights control himself?

Interjections.

Mr. Deputy Speaker: Order.

Mr. Cassidy: Mr. Speaker, have you ever seen them quite so excited? Have you ever seen them foam at the mouth that way?

Let me tell them about the centrepiece of the budget. I see the Treasurer is here right now.

Hon. F. S. Miller: I was here all afternoon.

Mr. Cassidy: You may remember the way he told us that the Employment Development Fund was going to rescue the economy of Ontario. I remember that.

Mr. Deputy Speaker: Order. There's a point of order.

Hon. Mr. Wells: Noticing the mood of the House and the enjoyment they are having in the honourable member's remarks, I wonder if we might have unanimous consent to continue on after six o'clock.

Agreed.

Mr. Cassidy: I'm in the hands of my colleagues. I've never been so entertained by them for a long time.

Let me put one or two facts on the record which may shake their confidence in the provincial Treasurer and may suggest to them that maybe he should go back to cutting down pine trees in Muskoka. The Treasurer in his off moments runs a small enterprise called Santa's Village in the town of Bracebridge. I've been there. But he is no Santa Claus when it comes down to creating jobs in Ontario.

In seven months, the Employment Development Fund has managed to be given to companies which have promised that in the next five years they will create 2,721 jobs. I exempt the automobile industry. What's interesting is that from January to June of this year the Ministry of Labour counted 6,079 workers in Ontario who were laid off because of shutdowns in the province.

If I can just give a few specifics, between the budget and today, we've had Westinghouse announce 700 jobs lost in Hamilton; 135 jobs lost at the beef terminal; 1,200 jobs lost because of the shutdown of Carrier Shoe; 300 jobs lost in Port Hope because of the shutdown of Winchester—the rifle factory; 250 jobs lost because of the shutdown of National Steel in Capreol; 600 jobs lost in Steep Rock and Atikokan; 450 jobs affected because of the shutdown of Caland Mine, half now and the rest in May of next year; 435 jobs lost because of the shutdown at Agnew Lake Mines; 120 jobs lost because of the shutdown of Anvil Limited; 93 jobs lost at Simpsons; 50 jobs lost at Frontenac Tile and 50 jobs lost at Hawker-Siddeley. Those are just the big ones.

Exempting the auto industry, the Treasurer as Santa Claus creates the possibility of 2,700 jobs over the next five years at the same time that major manufacturers are shutting down to the tune of 4,493 jobs across the province just in the past seven months.

Hon. Mr. Grossman: How about the auto industry?

Mr. Cassidy: Okay, let's talk about the auto industry.

Interjections.

Mr. Deputy Speaker: Order.

Mr. Cassidy: I'm talking about the initiatives of this government, and the initiatives of this government are not creating an effective number of jobs. We have 288,000 people unemployed right now.

If one adds in the Ford plant, which came before the Employment Development Fund, there is a potential for 2,600 jobs there.

But how do those 2,600 jobs go around when currently 13,000 workers across Ontario are on indefinite layoff in the automobile industry because of the slump? This government hasn't even come to grips with that problem.

Interjections.

Mr. Cassidy: We lose five jobs under the Tories for every job they hope to create over the course of the next five years.

I want to remind the Treasurer and the Minister of Industry and Tourism as well, since he seems to be rather worked up about it—

An hon. member: He feels guilty.

Mr. Cassidy: That's right.

Interjections.

Mr. Deputy Speaker: Order.

Mr. Cassidy: I want to remind this House of the principles, outlined by my colleague, our Treasury critic, the member for Nickel Belt (Mr. Laughren), of what we think should be included if there is to be any kind of an incentive program in Ontario. I am quoting my colleague because he said it so well that I couldn't say it better myself.

"An economic plan must be in place to indicate where we want to be in the next 10 to 20 years. Specific sectors of the economy must be selected and a major commitment

made to ensure their growth and success. Repatriation of the economy must be a major part of our economic plan in the province of Ontario.

"A central consideration must be the replacement of imports. We have a manufacturing trade deficit of $12 billion in this country, and the major reason is the weakness of the manufacturing industries in Ontario. Major commitments should be made to specific sectors at any given time so that the incentive program is not dispensed in shotgun-like fashion over a number of sectors with no real impact on any of them.

"The incentives provided to the private sector should have built into them an individually tailored planning agreement"—we have seen none of those—"based on a combination of equity participation"—the people of the province must share—"of job guarantees for Canadians, environmental protection, research and development, guarantees of commitments to buy Canadian and"—this is important—"there must be a guarantee that profits made in this province are reinvested in Canada or reinvested in Ontario."

The following point is important to my colleague from Nickel Belt, as it is important to myself as a member from eastern Ontario: "Regional development must be a major consideration, whenever practical. We must bring an end to a government which has concentrated all its resources on the development of industry around Metropolitan Toronto and left the rest of the province to want."

Hon. Mr. Grossman: What about Westinghouse in Renfrew?

Mr. Cassidy: "Finally, there must be a comprehensive employment impact study."

Hon. Mr. Grossman: Do you resent Westinghouse in Renfrew?

Mr. Deputy Speaker: Order.

Mr. Cassidy: If we had the jobs back in Hamilton, I would accept it, but it is no good terminating 700 jobs and putting 500 up in Renfrew. That's not good enough. You keep the jobs in Hamilton and you create the jobs in Renfrew.

Hon. Mr. Grossman: We put 120 jobs back in Hamilton. Is the member against jobs in Renfrew?

Mr. Deputy Speaker: Order. I would like to tell the Minister of Industry and Tourism it is not question period.

Interjections.

Mr. Cassidy: The final principle was that there must be a comprehensive employment impact study to be carried out before any applications are approved. Frankly, I am fed up with seeing public taxpayers' money go into private companies and then finding that the skilled manpower needed for the jobs that are created is being brought into this province from abroad because of the failure of the manpower training program of Ontario.

Interjections.

Mr. Cassidy: Those are some good principles. I want to say that last spring we had grave reservations about the capacity of this government to build up our economy for the 1980s. We have had real problems that are coming home to roost right now. The centre of gravity of our economy is moving westward in Canada. Ontario now finds it is no longer guaranteed the rapid growth we had during the 1950s, the 1960s and the 1970s. What we have is a government that knew how to govern in good times, which is easy, but can't cope when it comes to bad times.

Our lack of confidence in the government is reflected in a motion we will be voting on later today, which deplores the failure of the government to recognize the seriousness of the unemployment situation in Ontario and to take effective action to cure it. If the situation looked bad in April, our confidence in Conservatives was further shaken by the performance of the Joe Clark government after it was elected on May 22. Seldom has a government so fresh in office broken so many promises as soon as the Joe Clark government has, since it was elected seven months ago.

They promised to lower interest rates, but raised them to levels which are a record in this country. They promised to stimulate a deficit; then they decided to cut the deficit at the expense of ordinary Canadians. They promised a $2-billion tax cut, instead of which they raised taxes by $3.5 billion, and we in Ontario will be the ones who are paying. I can't see how the Treasurer is going to go out on the hustings to defend that government. How is he going to defend the federal Tories after the speech he delivered in the Legislature last Thursday, the day the federal government came down?

We had the curious spectacle of Ontario Conservatives deciding to consistently disagree with their federal counterparts for an electoral advantage in Ontario. It went to the point that the Premier of this province held an unprecedented press conference on the night of the federal budget to take issue with John Crosbie and Joe Clark, while the Treasurer delivered a statement on the budget last Thursday which was so detailed, so explicit,

so adamantly opposed to the federal budget that I want Frank Miller to know that his speech—

Mr. Speaker: The provincial Treasurer, that is.

Mr. Cassidy: —is now a part of our speakers' notes for every New Democratic candidate in the federal election.

It's a very inconsistent bunch we have to deal with. They denounced the sale of Petro-Canada just after they sold their own shares in Syncrude. This is a government that attacks the sale of natural gas, but fails to criticize the formula under which the sale of that natural gas to the United States was being justified.

The government and the Treasurer here denounce the federal government, the federal Tories, for a budget that will increase inflation and take away 20,000 jobs from the province of Ontario. Where is the prices review board in this province? Why hasn't the government come to the defence of the consumers of the province? Why don't we have a prices review board in Ontario?

If this government is going to denounce the federal government for making 20,000 Ontario workers lose their jobs, then, I ask this government, where are the policies to create 20,000 jobs in their place, or to create 288,000 jobs and wipe out unemployment in this province? That's a goal for the 1980s that all of us should be able to subscribe to.

This is a government that attacks the oil and gas price increases at the federal level, but has failed to give this province an energy strategy that will enable us to use energy efficiently in the province of Ontario. We have the spectacle of our Premier showing all the affection to Joe Clark that the Leader of the Opposition (Mr. S. Smith) shows toward Pierre Trudeau.

Interjections.

Mr. Cassidy: You liked that? As we go into the Christmas season, the betting is not on whether the Tories, the Liberals or the New Democrats will form the government on February 18, it's whether the Premier's stay in Florida in January will exceed in days the number of miles the Leader of the Opposition travels outside of Hamilton West to campaign for the federal Liberals.

They can't have it both ways. We need a government in this province that will look after the interests of the people of Ontario. We can't have a government that condemns the federal Tories one day and then the next day says, "Well, my heart is with the Tories," which is what the Premier told us, and goes out and tells the people of the province to vote for the dismantlement of Petro-Canada after condemning it, to vote for the 18-cent increase in the excise tax on gasoline after condemning it, to vote for those enormous increases in oil and gas prices after condemning them and to vote for a federal budget which the Premier knows and we know would be a disaster for the people of Ontario.

When the Premier goes on the hustings, I hope every time he appears with Joe Clark he reads this sentence from the Treasurer's statement to the Legislature last Thursday: "In the view of this government, there must be massive reinvestment of the enormous energy revenues to ensure that the economy of the country does not receive a mortal wound in the next year."

The Treasurer says the federal budget, which he now supports, will deal a mortal wound in the next year, particularly to the people of Ontario.

Interjections.

Mr. Cassidy: He is right, and he should stay home during this federal campaign. I address this not just to the government because we know it won't listen, the Minister of Health won't listen, and none of them will listen, but I say to the people of this province very seriously that there are serious problems to contend with in Ontario. Some time in the next year or maybe 18 months, we are going to be going to the electorate. We are prepared to go when we are required to. We are going to go to the people of this province. We are going to say we want to defend health care for every resident of Ontario. We are going to say we want to get back to one-price medicare with no excess billing in the province.

We are going to say to the people we cannot tolerate an energy policy which takes billions of dollars from Ontario consumers to put them in the coffers of multinational oil companies and of the heritage fund of Alberta. We are going to say we want an energy policy in this province that ensures we can use energy efficiently. We are going to say this province needs, demands and ought to have a government which in the 1980s can bring forth the industrial strategies that will enable us to cope, that will ensure we have the jobs that we need and that will deal equitably with every person in the province.

We want equity in the 1980s. We want security in the 1980s. Our workers want to know their sons and daughters will have jobs in the 1980s. We want decent pensions in the 1980s. We want decent labour laws in the 1980s and, God knows, we don't want

this government in the 1980s. That is why we moved that motion.

Mr. T. P. Reid: I listened with great interest to the leader of the NDP talk about the leader of the Progressive Conservative Party and the leader of the Liberal Party and the relationships between them and their federal brethren. He made certain remarks about sometimes there being disagreement.

I would say that party is probably the only one where the federal leader doesn't want to be associated at all with the provincial leader of the party.

It was interesting that the NDP leader should talk about unemployment. It occurs to me that one of his members was willing to face unemployment rather than to fit in the ranks of the—

Mr. Cassidy: Mr. Speaker, a point of privilege.

Mr. Deputy Speaker: Order. What is your point of privilege?

Mr. Cassidy: I just want to say I am going to be on the hustings for Ed Broadbent an awful lot more than the member for Rainy River. We are going to take his riding this time as well.

Interjections.

Mr. T. P. Reid: I must say with all honesty that there might be an outside possibility, because there always is in politics, that a riding might change. But if the provincial leader of the NDP goes up there to support his party's candidate, I can assure him there will be no change at all in that particular riding.

Interjections.

Mr. McClellan: Mr. Speaker, a point ot privilege.

Mr. Speaker: Order. The member for Bellwoods.

PEACE BRIDGE ASSOCIATION FOR THE MENTALLY RETARDED

Mr. McClellan: I would rather do it now than later in the member's speech. I have been waiting for the return of the Minister of Community and Social Services to raise a point of privilege in order to correct the record arising from his ministerial statement this afternoon. I will try to be brief but it is important.

The minister said, "I must regretfully inform members of the decision taken by the Peace Bridge Association for the Mentally Retarded in Fort Erie to cease operations on December 31." My office has been in contact with the executive director, Mr. Ron Goodridge and with the president, Mrs. Bev Rogozinski, of the Peace Bridge Association for the Mentally Retarded. They have denied the substance entirely of the minister's statement and have released a communique which reads as follows:

"The executive director and the president have denied any knowledge of a decision supposedly taken by their association to cease operations as of December 31. The closing has never seriously been contemplated by the board of directors or the membership. The association has been experiencing financial difficulty as a result of an historical inadequate pattern of funding from the Ministry of Community and Social Services."

I want to ask, by way of privilege, if the minister would take the opportunity to inform the House why we were given this information and why the ministry has concocted what appears to be a total fabrication.

Hon. Mr. Norton: Mr. Speaker, I would be delighted to have an opportunity to respond to that point of personal privilege. I acknowledge to the honourable members that since I made my statement in the House today that has been the response of the society. The information upon which my statement was based came from a committee of several persons, three of whom are members of my ministry staff, who have been working with that association since that settlement back in October to try to find solutions. My statement at the time I made it was, and to the best of my knowledge still is, factually correct.

Interjections.

Hon. Mr. Norton: I have asked senior staff of my ministry to embark immediately upon a further investigation. If the member notes what the association is now saying, as I understand it, it is suggesting that it might continue with a scaled-down operation. I would also point out we have to check just exactly what they mean by that. If that means low levels of service and dumping all of the money into 53 per cent increases in the salaries of some of their employees, that may not be possible under our funding formula.

Mr. Warner: You are backtracking. Turn in your resignation.

Mr. Foulds: When you make a ministerial statement, you should be sure of your facts.

Hon. Mr. Norton: I am not backtracking at all. I can say to the honourable member that was the best information available to me at that time. I can assure him I do not make that kind of statement in this House lightly. I assure the member that information

at the time I made that statement was accurate to the best of my knowledge and the knowledge of the staff of my ministry who have been working with that society. To the best of my knowledge, the response that has since emanated from the association is a new response.

Mr. Speaker: Order. On most occasions, there's an appropriate time to rise on a point of privilege. If it's a point of order dealing with something that's current, I think one should rise immediately but, given the nature of the point of privilege, it may have been more courteous had you waited until the member for Rainy River completed his speech. The member for Rainy River may continue.

BUDGET DEBATE
(concluded)

Mr. T. P. Reid: Where was I before I was so rudely interrupted? The Leader of the NDP was speaking earlier about unemployment in the province of Ontario and, of course, he has some personal experience with that. One of his staff members was willing to quit and face unemployment, rather than stay and serve under that particular leader.

He has an even more personal experience than that in the case of one Mr. Graham Murray, who used to work in the leader's office and who, I understand, got rather short shrift and found himself one day without the key to the executive NDP washroom. I can say that in at least one instance the NDP leader knows whereof he speaks.

We are leaving the 1970s and entering the 1980s, after 10 years of the Davis government in the province of Ontario. I could spend literally hours on a litany of what has happened to the province under the Premier, but we've been over most of those things. Suffice it to say there will probably be about three major reasons for the Premier to be remembered in the history books, and I think not fondly.

The first is what the Premier has done, almost singly, to the education system in the province. The Premier and his predecessors used to skate away from all responsibility in other areas by saying: "We will get rid of that minister or I'll fire that minister," or whatever, but in terms of education in the province of Ontario there is only one person responsible and that is the Premier.

I'm not going to go over the fanstastic increases in the levels of expenditure for which the Premier is responsible in this burgeoning bureaucracy at Queen's Park, at the Ontario Institute for Studies in Education and in the regional administration. There's something wrong when these superintendents are making more money than the Premier. Perhaps he thought he was going to retire prematurely and become one. The point of all of this is that despite all of the money that has been spent, people, whether they be individuals, parents or employers, are obviously dissatisfied with the quality of education in the province of Ontario. The member for York Mills shakes her head. Why do the universities have to give people tests to see if they have some basic literacy skills after all the system her government has put in place at enormous cost to the taxpayer? It has let the standards of education go. People who are coming out of the other end are not prepared to deal with life as it is in Ontario or will be in the 1980s because of the system the government has erected.

The next thing is the complete absence of any kind of industrial strategy for the province of Ontario.

It was obvious that it was easy to govern in the early 1970s when the Premier took over the reins of government because we had, until 1973 at least, a growing and a burgeoning economy. The government's answer to every problem was to throw money at it in the hope the problem would go away or people would be bought off. It didn't really deal with the nuts and bolts of what's going on and what's going to happen in the 1980s.

When I think there are 75,000 civil servants backing those people up over there, the mind boggles at the incompetence and the lack of planning they have done. One of the best speeches I've heard in 12 years in this Legislature was that given by my leader on industrial strategy for the province. I don't see one from across the road. I don't see one from the government's federal friend, Mr. Clark, who ran on a policy of having an industrial strategy and in seven months said not one word about it. There is no planning going on in Ontario. There's no planning for the 1980s. We're entering a new decade with some serious problems and nothing is coming out of the people opposite to say how they are going to deal with those kinds of problems.

Obviously—and I feel this very personally—there has been no planning in northern Ontario to expand the industrial structure of that part of the province.

The Treasurer's predecessor made a great statement that still echoes in northern Ontario about the fact that there will never be anything in northern Ontario except resource industries. I understand that my friend, the Minister of Industry and Tourism, has made

similar statements in North Bay, because at this Tory meeting there happened to be somebody who became a Liberal after he listened to the Minister of Industry and Tourism. My leader has recounted the net migration from the province and the fact that the value added in the province in percentage terms has decreased and is the lowest increase in Canada. We know we have structural problems in the economy.

When I think about the net migration out of Ontario of about 5,000 people, it occurs to me that very shortly there'll probably be 5,058 people as all the Tories leave to get away from Joe Clark and head south.

An hon. member: Are you going south?

Mr. T. P. Reid: Unfortunately, I'm going to Kenora-Rainy River. It has been suggested to me that by the time the Premier comes back, he'll probably be speaking in a very heavy southern accent because he will have been down there for so long.

Hon. Mr. Davis: I expect to see your leader there.

Mr. T. P. Reid: Are they going to play tennis together?

Hon. Mr. Davis: We'll see Smith for Pierre in Sarasota, Florida.

Mr. T. P. Reid: And Davis against Clark in Miami Beach.

It's interesting that as we wind up, I've just been handed a copy of something I have been trying to get for years. It's called Public Attitudes Towards Education in Ontario. It's a public opinion poll commissioned by one of the agencies of the government. It makes fascinating reading because it indicates, obviously, the Conservative Party has been using these polls to direct public policy in Ontario. If we refer to this, we can look and see that what few initiatives there have been have been based on the public opinion polls the Premier and the government refuse to release, but for which the taxpayers have paid.

Hon. Mr. Davis: How about those myths in the Ministry of the Environment you won't tell us about? You're an honest man.

Mr. T. P. Reid: What is he talking about? As usual, I don't know what the Premier is talking about.

I was going to quote chapter and verse on all the things the Premier said about his federal leader. I was going to repeat chapter and verse from the Treasurer's statement, which I am sure he wouldn't have given on Thursday afternoon had he known what was going to happen Thursday evening. But the Treasurer has always been noted for his bad timing. There is no point in going over all that.

Mr. Nixon: That shows great respect for the Treasurer.

Mr. T. P. Reid: I don't want to get too personal. I don't want to repeat all of that, except to say to the Premier wholeheartedly that I hope he will review his decision to support Joe Clark in the next election.

Hon. Mr. Davis: Are you reviewing your decision to support your brother?

Mr. T. P. Reid: No. He is my brother, but he is also a member of the Liberal-Labour Party, and we can't afford to lose any of those.

Hon. Mr. Davis: Blood is stronger than public interest.

Mr. T. P. Reid: I know the Premier has heard this before and I am sure he will hear it again. On page 23 of his statement to the last first ministers' conference the Premier said:

"Each of us in representing our own province will have different interests and, consequently, will see our country a little differently as well. But, in the final analysis, the government of Canada accounts directly to all the people of Canada. There is a view being advanced that Canada is a community of communities or a nation of provinces and that our country is made stronger, not by building the whole but by strengthening the separate parts.

"In some measure, Prime Minister, that may be true, so long as province-building does not replace nation-building as the most ambitious goal of Canadians. Thus the government of Canada must stand, not merely as an arbitrator of community differences but the guardian of the nation as a whole."

Those are sentiments I agree with entirely. They are sentiments I hope the Premier will recall when he goes out on the hustings and finally decides he should protect not only the people of Ontario but the people of Canada from Joe Clark.

Hon. F. S. Miller: Mr. Speaker, it's nice to welcome the new leader of the Liberal Party here this evening.

Hon. Mr. Davis: The Liberal-Labour Party.

Mr. T. P. Reid: Liberal-Labour Party.

Hon. F. S. Miller: The Liberal-Labour Party. Has that got something to do with my Premier's comments about your contribution to the youth of this province—the labour part of it, I mean?

Hon. Mr. Davis: It's a labour of love.

Mr. T. P. Reid: Keep it clean.

Hon. F. S. Miller: Mr. Speaker, most of my aggravation will be vented at the leader of the NDP because he did say a few things I found a bit interesting today. He talked about this having been the decade of lost opportunity, the decade of all the troubles. For members opposite, it certainly was a decade of lost opportunity. The member for Ottawa Centre was elected to the leadership of the NDP, while the other fellows opposite have a man who isn't even here this evening.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: The leader of the NDP talked a great deal about a number of his pet topics. He talked about health care and decried the condition of health care in this province. He wanted to make it sound as though there wasn't a soul in this province who dared to go to see a doctor for fear of being shifted off to some unscrupulous whatever-he-may-be person, willing to take his money but give nothing in return. He is a bogeyman. He deals in fear and fantasy. He doesn't deal with the reality.

The member said our Minister of Health hasn't got our confidence or his confidence. I will tell him that he has ours.

Interjections.

Hon. F. S. Miller: He has the confidence of a great many people in this province.

It is interesting to see what happens when the great country to the south of us, the United States of America, decides it will emulate a program. Where does it turn? It turns to Ontario to find what it considers to be the finest health care system, not just in North America, but in the world.

The member started talking a lot about oil and energy and the problems of oil and energy. I think he talked about blue-eyed Arabs. If we extend that, we will say all we want is a fair shake.

Interjections.

Hon. F. S. Miller: At the prices I pay for writers, what else do you expect?

I got an interesting piece off the wire a few minutes ago. The member was ranting and raving about the losses of this government in energy. This afternoon the Prime Minister of Canada says that Petrocan will remain in the public domain. He is going to give out shares to Canadians, and it will remain.

Interjections.

Hon. F. S. Miller: That's something we said in our papers. We have been heard and we have won.

Interjections.

Hon. F. S. Miller: The leader of the Liberals just quoted a few minutes ago something about the Premier's comments on building a strong Canada. Yesterday the Prime Minister said he has been convinced that a strong Canada is the most important thing and that he is going to work towards that direction. We have been heard and will continue to be heard.

He talked about revenue distribution. I talked about it in my paper last week. The Prime Minister of Canada has said that one of the first things he will do when he wins the next election is to have a serious review and study of the revenue distribution of oil revenues in this country and that it will be done in Canada's interests.

He has already said the price of oil will not exceed 85 per cent of US pricing, another factor we kept on saying.

Interjections.

Hon. F. S. Miller: I would say Ontario's paper on energy clearly and honestly stated the issues publicly, even though it was against the people we basically support, and it has been heard. We stood up for the consumers of this province loudly, strongly and firmly, and we have been heard.

Mr. Breaugh: Why didn't they hear you last week? I don't understand.

Hon. F. S. Miller: Where does the real irresponsibility lie? This country deserved a government in power, a government given a chance to run. Which party moved the motion that put them out in the street? The member's party did. He would support hypocritically any stand of his cohorts in Ottawa.

We are not afraid to stand up for the interests of the people we represent, all the while recognizing that at least we had a government there that understood it inherited 16 years of totally irresponsible financial management in this country and was able to put it back on a course.

Interjections.

Hon. F. S. Miller: I can understand why the member probably never saved any money or even made any progress in business. He only counts one way. He deducts. He has never learned to add.

He stood up and read into the record all the jobs lost. I just happen to have the figures here. All the jobs lost add up to 167,000 more people at work in Ontario today than a year ago. In addition, two negatives don't make a positive. I used to teach mathematics. I don't know where the member learned his.

He talked about import penetration and import replacement. He talked about regional

development. Today I had the honour of being in eastern Ontario for the signing of the eastern Ontario DREE agreement with the federal government. That is an agreement we negotiated with the federal Liberals for four years. In six months we got the Conservatives to sign.

Hon. Mr. Davis: Does it cover Conway's riding?

Hon. F. S. Miller: It covers Conway's riding, but it won't be his riding for long.

Interjections.

Hon. F. S. Miller: I'll gladly give him a franchise in Pembroke. He does say "Ho, Ho, Ho" very nicely, say it again. Can he grow a beard yet?

Regional development is something this province has stressed. There will be a northern agreement with DREE very shortly, I'm quite sure, and it will be signed before this coming election.

In Cornwall today, we were pleased to note grants to one company exporting $10 million worth of equipment per year to the States in heavy truck bodies because of an Employment Development Fund grant. I was glad to give another grant to another company, establishing in Canada for the first time, in Cornwall, manufacturing facilities to make carpets in Canada that have been previously imported.

Those are the kinds of things we've done constructively, piece by piece, throughout this year with the budget, as we said we would in April, when I stood up.

Some members said we were going to have to go to the electorate sometime soon. Yes, that's true. I'm afraid, unlike them, we're not going to go by the electorate. We'll still be here when the election is over. Where do they want to be? They want to be here in the 1980s and they're not going to be. We are going to be.

Hon. Mr. Davis: Back at Carleton or in some academic environment.

Hon. F. S. Miller: When I turn to the Liberal comments, and I've used up my 10 minutes, I find their spokesman has gone. I was going to say nice things. I had prepared a whole lot of things, hoping there would be something to respond to, but he is the best boxer I have run into. There were a whole bunch of feints and a whole series of shifts, but nothing left to attack.

We set out with our budget this year to achieve a number of objectives: to maintain a high quality of public service in Ontario, and we did; to help create more jobs, and we did; and to provide incentives for economic growth and small business development, and we did. The Small Business Development Corporation legislation, which was pooh-poohed by a lot of people, now has 21 corporations incorporated and over a hundred lined up to be approved. These are average Ontario citizens investing in their province in the form of equity, something we determined we would do at the start of the year.

We said we would continue our sound management of provincial spending, and we have. This year our incomes have exceeded our expectations in Ontario very nicely because of the spirit of confidence in this province that investors and management have. We've had the best year ever for investment in capital works in this province, I'm very delighted to say.

I could go on for a long time. I could recite a lot more things. Is there any place you would rather be? I don't think so. Ontario is the best.

Mr. Speaker: On Tuesday, April 10, Hon. F. S. Miller moved, seconded by Mr. Davis, that this House approves in general the budgetary policy of the government.

On April 19, Mr. Laughren moved, seconded by Mr. Wildman, an amendment as follows:

That all the words after "that" be struck out and the following be substituted therefor:

"This House deplores the government's failure to recognize the seriousness of the unemployment problem in Ontario by providing any full-time jobs; rejects the increase in OHIP premiums and other regressive taxes, while doing nothing to protect consumers against rising prices; condemns the lack of commitment to rebuilding any specific industry within our manufacturing sector and the failure to attach any performance and employment guarantees to its Employment Development Fund; opposes the continued giveaways of our mineral resources; and, finally, condemns the shift of the cost of education and social services to municipalities. For these reasons, the government no longer enjoys the confidence of this House."

The first question to be decided is the amendment by Mr. Laughren.

All those in favour of Mr. Laughren's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

Call in the members.

The House divided on the amendment by Mr. Laughren, which was negatived on the following vote:

AYES

Bounsall, Breaugh, Cassidy, Charlton, Cooke, Davidson, M., Davison, M. N., Di Santo, Dukszta, Foulds, Germa, Grande, Isaacs, Johnston, R. F., Laughren, Lawlor, Lupusella, Mackenzie, Martel, McClellan, Philip, Renwick, Swart, Warner, Wildman, Young and Ziemba.

NAYS

Ashe, Auld, Baetz, Belanger, Bennett, Bernier, Birch, Breithaupt, Brunelle, Campbell, Conway, Cunningham, Cureatz, Davis, Drea, Eaton, Elgie, Gaunt, Gregory, Grossman, Hall, Havrot, Henderson, Hennessy, Hodgson.

Johnson J., Jones, Kennedy, Kerr, Kerrio, Lane, Maeck, Mancini, McCaffrey, McCague, McGuigan, McMurtry, McNeil, Miller, G. I., Miller, F. S., Newman, B., Newman, W., Nixon, Norton, O'Neil, Parrott, Pope.

Ramsay, Reed, J., Reid, T. P., Riddell, Rotenberg, Rowe, Ruston, Smith, G. E., Stephenson, Sterling, Stong, Sweeney, Taylor, G., Timbrell, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Worton and Yakabuski.

Ayes 27; nays 70.

The House divided on the original motion by Hon. F. S. Miller, which was agreed to on the same vote reversed.

Mr. Speaker: I declare the motion carried. It is resolved that this House approves in general the budgetary policies of this government.

SUPPLY ACT

The following bill was given first, second and third readings on motion by Hon. F. S. Miller:

Bill 212, An Act for granting to Her Majesty certain sums of money for the Public Service for the fiscal year ending March 31, 1980.

Mr. Speaker: Before I leave the chair, I would like to take this opportunity to thank all members for their co-operation during this session, and the staff of the assembly for their continued service to the members and to wish you a safe trip home, a merry Christmas and a happy 1980.

The Honourable the Lieutenant Governor of Ontario entered the chamber of the Legislative Assembly and took her seat upon the throne.

ROYAL ASSENT

Hon. Mrs. McGibbon: Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sitting thereof, passed several bills to which in the name and on behalf of the said Legislative Assembly I respectfully request Your Honour's assent.

First Clerk Assistant: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 24, An Act to amend the Environmental Protection Act, 1971;

Bill 77, An Act to amend the Crown Timber Act;

Bill 149, An Act to amend the Land Titles Act;

Bill 150, An Act to amend the Registry Act;

Bill 154, An Act to amend the Regional Municipality of Hamilton-Wentworth Act, 1973;

Bill 159, An Act to amend the Family Law Reform Act, 1978;

Bill 161, An Act to amend the Public Commercial Vehicles Act;

Bill 162, An Act to amend the Child Welfare Act, 1978;

Bill 170, An Act to amend the Education Act, 1974;

Bill 171, An Act to amend the Ontario Municipal Improvement Corporation Act;

Bill 173, An Act to amend the Municipal Act;

Bill 174, An Act respecting the Composition of the Council of the Town of Midland;

Bill 175, An Act to amend the Highway Traffic Act;

Bill 176, An Act to amend the Architects Act;

Bill 177, An Act to amend the Compensation for Victims of Crime Act, 1971;

Bill 178, An Act to provide for the Enforcement of Interprovincial Subpoenas;

Bill 179, The Powers of Attorney Act, 1979;

Bill 180, An Act to amend the Unified Family Court Act, 1976;

Bill 181, An Act to provide for the Consolidation and Revision of the Statutes;

Bill 182, An Act to provide for the Consolidation and Revision of the Regulations;

Bill 194, An Act to amend the Ontario Unconditional Grants Act, 1975;

Bill 195, An Act to amend the Regional Municipality of Peel Act, 1973;

Bill 204, An Act to amend the Labour Relations Act;

Bill 209, An Act to amend the Workmen's Compensation Act;

Bill Pr5, An Act respecting the City of Toronto;

Bill Pr18, An Act respecting the City of Sarnia;

Bill Pr21, An Act respecting the City of Hamilton;

Bill Pr25, An Act respecting the City of London;

Bill Pr28, An Act respecting the City of North Bay;

Bill Pr30, An Act to revive South Russell Holdings Limited;

Bill Pr31, An Act to revive Sarnia Portable Equipment Rentals Limited;

Bill Pr33, An Act respecting the Town of Cobourg.

Clerk of the House: In Her Majesty's name, the Honourable the Lieutenant Governor doth assent to these bills.

Mr. Speaker: May it please Your Honor, we, Her Majesty's most dutiful and faithful subjects of the Legislative Assembly of the province of Ontario in session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and government, and humbly beg to present for Your Honour's acceptance, a bill entitled An Act granting to Her Majesty certain sums of money for the Public Services for the fiscal year ending March 31, 1980.

Clerk of the House: The Honourable the Lieutenant Governor doth thank Her Majesty's dutiful and loyal subjects, accept their benevolence and assent to this bill in Her Majesty's name.

The Honourable the Lieutenant Governor was pleased to deliver the following gracious speech:

PROROGATION SPEECH

Hon. Mrs. McGibbon: Mr. Speaker and members of the Legislative Assembly: The close of this third session of the 31st Parliament of Ontario also marks the end of a decade. As a province, Ontario has made great strides throughout the 1970s, despite certain economic difficulties which few countries have escaped in recent years. As a nation, the 1970s have brought us to the edge of one of the most critical moments in our history, as Quebec determines its future within Canada.

Today, as at the start of the decade, Ontario continues its unflagging efforts to promote the cause of "Canada first," in policies which the government feels are important to the nation as a whole. Significantly, the government can cite from the early 1970s the positive actions which stemmed from the work of the select committee on economic and cultural nationalism, appointed by this Legislature. Again, in Ontario's stand on energy pricing, consistently held since the mid-decade, the interests of the nation have remained paramount. But among the most vigorous manifestations of this approach is the recent rejection of the sovereignty-association proposal of the government of Quebec.

In looking ahead to the 1980s, my government reaffirms its belief in the ultimate wisdom of its philosophy, which takes as given that the future will be better if shared by all Canadians working in harmony, one with another. At the same time, looking back on this session, the record shows a substantial number of achievements which reflect a deep sense of duty and commitment to the interests of the people of Ontario on the part of all members of this House.

Unfortunately, in 1979, nature was not always kind to certain areas of Ontario. In the first part of the year, ice storms and flooding made emergency assistance and special funding arrangements necessary in 10 areas of the province. Similar assistance was also provided as a result of the severe tornado damage in Oxford and Brant counties in August. Last month, what could have become an overwhelming disaster in the city of Mississauga was averted by the dedicated service of the men and women who work in our fire, police, hospital and related services, and by the highly laudable sense of order exhibited by the quarter of a million citizens directly affected.

The plight of the boat people and of refugees in southeast Asia has been of enormous concern to the government and people of Ontario, who have assisted both in relocation and settlement of several thousand individuals and families in the province, as well as in providing emergency relief through the Canadian Red Cross for thousands more in refugee camps in the Far East.

The observance of 1979 as the International Year of the Child was marked in numerous ways throughout the province. Within the government, the children's services legislation package, which received royal assent last year, was proclaimed in June. The legislation covers amendments to almost all areas of social service to children and includes provisions governing child abuse, adoption procedures and day-care services—all of which have the singular aim of serving the best interests of children.

Special attention has been paid to the health of young children through a highly successful immunization program against communicable diseases. Of equal, if not greater, significance is the fact that by expanding the provincial screening program for newborns to include detection of hypothyroidism, about 30 babies who would almost certainly have been mentally retarded now have a good chance for healthy, normal lives.

Already preparations are under way to observe 1981 as the International year of the Handicapped, with governments and organizations developing initiatives that respond to the needs and desires of handicapped citizens. One recent major initiative of this government was the creation of a province-wide program of subsidies to municipalities to provide transportation facilities for the physically handicapped. The program, which began on July 1, follows on experimental services run in five cities over the previous two to three years. The pilot projects themselves are now permanent programs.

The new Residential Tenancies Act has been proclaimed, with the exception of certain sections which are the basis of a constitutional reference to the Court of Appeal. Under the act, the residential premises rent review program is continued throughout the province in a form that will simplify and improve the process for landlords and tenants.

Major legal reforms have been the hallmark of the Ontario justice system over the past several years, and 1979 has been no exception. A new Provincial Offences Act sets out a code of procedures for the prosecution of provincial offences as distinct from offences under the Criminal Code of Canada where past rigidities may often have appeared to be less than just. The built-in flexibility of this new legislation is likely to attract greater respect from the public at large by relating penalties for minor offences more closely to the nature of the offence.

At the same time, greater responsibility is being asked of Ontario drivers who are now obliged by law to carry a minimum of $100,000 in third-party liability insurance on all motor vehicles. This is the main purpose of the Compulsory Automobile Insurance Act which took effect December 1, and which also provides for the formation of an insurance industry pool to ensure that high risk drivers have access to coverage.

The Evidence Act has been amended to permit the use of the official translation of statutes in French-language court proceedings. This measure falls on the government's undertaking to prepare official translations of 150 select statutes over the next four years, for which task a special legal translation unit has been set up in the Ministry of the Attorney General.

Ontario's economy has, by any reasonable standard, fared well in the 1970s. Ontarians have been spared the undue hardship that might have occurred without the timely adoption of a program of restraint in government spending that began in the middle of the decade. Nevertheless, it is the government's continuing endeavour to temper the obvious limitations required by fiscal restraint with an ever-present awareness of the needs of our citizens and of the community as a whole.

Municipal governments can look forward in 1980 to an average increase in provincial grants of over 10 per cent. In addition, unorganized communities may now make use of a special mechanism to facilitate the provision of such basic services as fire protection, water supply and street lighting. Through the Local Services Board Act, residents and property owners in these communities may create corporate boards with powers to revise these services. This legislation will be particularly useful in communities in northern Ontario.

Ontario's budgetary policies paid high dividends last year in terms of the creation of over 130,000 jobs in the province, all of them in the private sector. Projections run to about 140,000 new jobs for the current year. Efforts to create jobs for young people also produced better results this year, with the Ontario youth employment program providing over 40,000 jobs in the private sector over a six-month period. Government wage subsidy costs for this program will run to about $26 million. A seven-member advisory council on equal employment opportunities for women was formed in March. The Ministry of Labour is relying on the joint co-operation of high-level labour management representation on this body to provide invaluable assistance in securing better prospects for women in the work place.

More than 20 Small Business Development Corporations have been registered since the announcement of this new incentive program in the Ontario budget last April. The program is helping to stimulate private sector investment where it is most needed, in manufacturing and processing, tourism, and mineral exploration, by encouraging equity investments in Ontario-based small businesses. In other budget measures aimed at stimulating

investment, succession duties and gift taxes have been abolished in Ontario.

The government has taken up the challenge to ensure that the opportunities facing our manufacturing sector and the accompanying demand for skilled labour are met. The province has promoted the formation of community industrial training committees under the employer-sponsored training program.

The Employment Development Fund, established in the spring, is securing the development and expansion of manufacturing enterprises that will create long-term employment. The fund is also being used as the source of needed incentives to the pulp and paper industry whose modernization it is widely agreed, is imperative both in productive and environmental terms.

At the same time, Ontario must capitalize on the tariff advantages gained at the Tokyo round of GATT negotiations, which were concluded this summer, and make necessary adjustments where the rules are less in favour. In its consultations with Ottawa, the province has persistently underlined the key role required of the federal government in this area, if markets are to be maintained and enhanced both at home and abroad.

In the constant, watchful concern of government and the public about the quality of our environment, the problem of acid rain has become a major area of focus. Intensified research programs are being carried out, involving the monitoring and analysis of effects on fish and other aquatic life. Some of this research funding is being made available from proceeds of the provincial lottery.

The studies also underline the basic goals and objectives for water quality and management in Ontario, which were published earlier in the year. The government's policies, as set out in this document, have been updated according to newest scientific developments and criteria established in the international Great Lakes water quality agreement.

The negative effects of increasing energy costs on the economy and the question of security of supplies are a source of concern to the government. While Ontario has had a good record in energy management and conservation over the past several years, there must be a resolve by our institutions, industries and by individual citizens to do much more. This resolve is our strongest weapon against any possibility of inconvenience or hardship.

Honourable members, the scope of these issues and your efforts in addressing them speak well of the loyalty you bear to this province and to the wider interests of our nation. Ontarians can look back on the 1970s with a feeling that our people have made much progress. But, more important, we look to the new decade with optimism because we know we have the required abilities, resources and resilience to serve our highest aspirations.

On behalf of the people of Ontario, I thank you especially for your endeavours and accomplishments during this session. May I wish you the joys of the season and a safe and happy holiday among your families and friends.

I now declare the session prorogued.

In our Sovereign's name, I thank you.

Hon. Mr. Wells: Mr. Speaker and honourable members of the Legislative Assembly, it is the will and pleasure of the Honourable the Lieutenant Governor that this Legislative Assembly be prorogued and this Legislative Assembly is accordingly prorogued.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

The House prorogued at 7:30 p.m.

APPENDIX A

(See page 5805)

ANSWERS TO QUESTIONS ON NOTICE PAPER

MULTICULTURAL POLICY

377. Mr. Dukszta: Will the Ministry of Labour outline in detail what initiatives, if any, it has undertaken since May 1977 to reflect the multicultural policy enunciated by the Premier at that time? In its reply, will the ministry outline specific policies, programs, procedures and appointments undertaken to recognize that Ontario is a multicultural society? What, if any, other initiatives are to be expected in this fiscal year? (Tabled December 3, 1970.)

See sessional paper 307.

MINING COMMUNITIES

396. Mr. Foulds: Would the ministry table the dates, the times and the topics discussed at meetings of the cabinet committee on the future of one-industry towns, since the Premier announced its creation in 1977? (Tabled December 6, 1979.)

Hon. Mr. McCague: The cabinet committee on the economic future of mining communities was established by the Premier on November 3, 1977. The committee worked intensively during 1977 and 1978. As with all meetings of cabinet and its committees, the agendas of this committee are confidential.

The government's further initiatives for northern communities have been the chief responsibility of the Minister of Northern Affairs (Mr. Bernier), in conjunction with the Provincial Secretary for Resources Development (Mr. Brunelle).

Because the Ministry of Northern Affairs, the Provincial Secretariat for Resources Development and the board of the Employment Development Fund are currently the best vehicles for dealing with the problems of resource based communities, the cabinet committee on the economic future of mining communities has been sunsetted.

POLICE ACTIVITY IN LABOUR DISPUTES

401. Mr. Mackenzie: Would the Solicitor General inform the House as to the number and rank of OPP officers and the number and rank of municipal police officers and the daily costs for each group for the month of November 1979 who have been assigned to the picket line, or held in reserve near the site, since the response tabled in the House on December 4, 1979, at: (a) Radio Shack; (b) Boise Cascade, Fort Frances, Kenora; (c) Butcher Engineering, Brampton; (d) Canadian Gypsum, Hagersville? (Tabled December 13, 1979.)

Hon. Mr. McMurtry: The answer is as follows:

(a) Radio Shack, Barrie: Barrie Police Force; in November, six constables were on duty for 40 minutes each at a total cost of $60.54. Ontario Provincial Police; nil

(b) Boise Cascade, Fort Frances and Kenora: Fort Frances Police Force, nil. Kenora Police Force, nil. Ontario Provincial Police, nil.

(c) Butcher Engineering, Brampton: Peel Regional Police Force; in November, ten constables were on duty for 15 minutes a day at a total cost of $120.00.

(d) Canadian Gypsum, Hagersville: Ontario Provincial Police—see following.

November 1: One staff superintendent; one inspector; four corporals; 15 constables; total, 21 (all ranks); total daily costs, $563.00.

November 2: One staff superintendent; one inspector; four corporals; 18 constables; total, 24 (all ranks); total daily costs, $610.00.

November 3: One staff superintendent; one inspector; one corporal; three constables; total, six (all ranks); total daily costs, $157.00.

November 4: Nil.

November 5: One staff superintendent; one inspector; one detective sergeant; three corporals, 19 constables; total, 25 (all ranks); total daily costs, $558.00.

November 6: One staff superintendent; one inspector, three corporals, 17 constables; total, 22 (all ranks); total daily costs, $558.00.

November 7: One staff superintendent; one inspector; three corporals; 17 constables; total, 22 (all ranks); total daily costs, $558.00.

November 8: One staff superintendent; one inspector; one staff sergeant; four corporals; 17 constables; total, 24 (all ranks); total daily costs, $554.00.

November 9: One staff superintendent; one inspector; three corporals; 13 constables; total, 18 (all ranks); total daily costs, $511.00.

November 10: One corporal; three constables; total, four (all ranks); total daily cost, $46.70.

November 11: Nil.

November 12: One inspector; four corporals; 15 constables; total, 20 (all ranks); total daily costs, $544.00.

November 13: One staff superintendent; one inspector; three corporals; 15 constables; total, 20 (all ranks); total daily costs, $511.00.

November 14: One staff superintendent; one inspector; three corporals; 15 constables; total, 20 (all ranks); total daily costs, $511.00.

November 15: One staff superintendent; two corporals; 15 constables; total, 18 (all ranks); total daily costs, $518.00.

November 16: Two detective sergeants; five corporals; 47 constables; total, 54 (all ranks); total daily costs, $1,413.00.

November 17: One corporal; three constables; total, four (all ranks); total daily costs, $51.00.

November 18: Nil.

November 19: Two detective sergeants; five corporals; 23 constables; total, 30 (all ranks); total daily costs, $593.00.

November 20: Two detective sergeants; four corporals; 25 constables; total, 31 (all ranks); total daily costs, $640.00.

November 21: Two detective sergeants; five corporals; 18 constables; total, 25 (all ranks); total daily costs, $504.00.

November 22: Two detective sergeants; three corporals; 20 constables; total, 25 (all ranks); total daily costs, $526.00.

November 23: Two detective sergeants; four corporals; 16 constables; total, 22 (all ranks); total daily costs, $473.00.

November 24: Two corporals; five constables; total, seven (all ranks); total daily costs, $114.00.

November 25: Nil.

November 26: Two detective sergeants; one corporal; 11 constables; total, 14 (all ranks); total daily costs, $234.00.

Month of November 1979

Salaries	$ 9,048.00
Overtime (average $281.60 daily)	$ 6,195.00
Accommodation and meals	$ 935.00
Transportation costs	$ 764.70
Total	$16,942.70

N.B. Salaries represent that portion of a member's regular work day deployed specifically of the Gypsum Plant strike scene.

APPENDIX B

ALPHABETICAL LIST OF MEMBERS OF THE LEGISLATURE OF ONTARIO

(125 members)

Third Session of the 31st Parliament

Lieutenant Governor: Hon. Pauline M. McGibbon

Speaker: Hon. John E. Stokes **Clerk of the House: Roderick Lewis, QC**

Member	Constituency	Party
Ashe, G.	Durham West	PC
Auld, Hon. J. A. C.	Leeds	PC
Baetz, Hon. R. C.	Ottawa West	PC
Belanger, J. A.	Prescott and Russell	PC
Bennett, Hon. C.	Ottawa South	PC
Bernier, Hon. L.	Kenora	PC
Birch, Hon. M.	Scarborough East	PC
Blundy, P.	Sarnia	L
Bolan, M.	Nipissing	L
Bounsall, E. J.	Windsor-Sandwich	NDP
Bradley, J.	St. Catharines	L
Breaugh, M.	Oshawa	NDP
Breithaupt, J. R.	Kitchener	L
Brunelle, Hon. R.	Cochrane North	PC
Bryden, M.	Beaches-Woodbine	NDP
Campbell, M.	St. George	L
Cassidy, M.	Ottawa Centre	NDP
Charlton, B.	Hamilton Mountain	NDP
Conway, S.	Renfrew North	L
Cooke, D.	Windsor-Riverside	NDP
Cunningham, E.	Wentworth North	L
Cureatz, S.	Durham East	PC
Davidson, M.	Cambridge	NDP
Davis, Hon. W. G.	Brampton	PC
Davison, M. N.	Hamilton Centre	NDP
di Santo, O.	Downsview	NDP
Drea, Hon. F.	Scarborough Centre	PC
Dukszta, J.	Parkdale	NDP
Eakins, J.	Victoria-Haliburton	L
Eaton, R. G.	Middlesex	PC
Edighoffer, H. (Deputy Speaker and Chairman)	Perth	L
Elgie, Hon. R.	York East	PC
Epp, H.	Waterloo North	L
Foulds, J. F.	Port Arthur	NDP
Gaunt, M.	Huron-Bruce	L
Germa, M. C.	Sudbury	NDP
Gigantes, E.	Carleton East	NDP
Grande, A.	Oakwood	NDP
Gregory, Hon. M. E. C.	Mississauga East	PC
Grossman, Hon. L.	St. Andrew-St. Patrick	PC
Haggerty, R.	Erie	L
Hall, R.	Lincoln	L
Handleman, S. B.	Carleton	PC

Member	Constituency	Party
Havrot, E.	Timiskaming	PC
Henderson, Hon. L. C.	Lambton	PC
Hennessy, M.	Fort William	PC
Hodgson, W.	York North	PC
Isaacs, C.	Wentworth	NDP
Johnson, J.	Wellington-Dufferin-Peel	PC
Johnston, R. F.	Scarborough West	NDP
Jones, T.	Mississauga North	PC
Kennedy, R. D.	Mississauga South	PC
Kerr, G. A.	Burlington South	PC
Kerrio, V.	Niagara Falls	L
Lane, J.	Algoma-Manitoulin	PC
Laughren, F.	Nickel Belt	NDP
Lawlor, P. D.	Lakeshore	NDP
Leluk, N. G.	York West	PC
Lupusella, A.	Dovercourt	NDP
MacBeth, J. P. (Deputy Chairman and Acting Speaker)	Humber	PC
MacDonald, D. C.	York South	NDP
Mackenzie, R.	Hamilton East	NDP
Maeck, Hon. L.	Parry Sound	PC
Makarchuk, M.	Brantford	NDP
Mancini, R.	Essex South	L
Martel, E. W.	Sudbury East	NDP
McCaffrey, B.	Armourdale	PC
McCague, Hon. G.	Dufferin-Simcoe	PC
McClellan, R.	Bellwoods	NDP
McEwen, J. E.	Frontenac-Addington	L
McGuigan, J.	Kent-Elgin	L
McKessock, R.	Grey	L
McMurtry, Hon. R.	Eglinton	PC
McNeil, R. K.	Elgin	PC
Miller, Hon. F. S.	Muskoka	PC
Miller, G. I.	Haldimand-Norfolk	L
Newman, B.	Windsor-Walkerville	L
Newman, W.	Durham-York	PC
Nixon, R. F.	Brant-Oxford-Norfolk	L
Norton, Hon. K.	Kingston and the Islands	PC
O'Neil, H.	Quinte	L
Parrott, Hon. H. C.	Oxford	PC
Peterson, D.	London Centre	L
Philip, E.	Etobicoke	NDP
Pope, Hon. A.	Cochrane South	PC
Ramsay, R.	Sault Ste. Marie	PC
Reed, J.	Halton-Burlington	L
Reid, T. P.	Rainy River	L. LAB.
Renwick, J. A.	Riverdale	NDP
Riddell, J.	Huron-Middlesex	L
Rollins, C. T.	Hastings-Peterborough	PC
Rotenberg, D.	Wilson Heights	PC
Rowe, R. D.	Northumberland	PC
Roy, A. J.	Ottawa East	L
Ruston, R. F.	Essex North	L

Member	Constituency	Party
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Sargent, E.	Grey-Bruce	L
Scrivener, M.	St. David	PC
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Smith, S.	Hamilton West	L
Snow, Hon. J. W.	Oakville	PC
Stephenson, Hon. B. M.	York Mills	PC
Sterling, N. W.	Carleton-Grenville	PC
Stokes, Hon. J. E.	Lake Nipigon	NDP
Stong, A.	York Centre	L
Swart, M.	Welland-Thorold	NDP
Sweeney, J.	Kitchener-Wilmot	L
Taylor, G.	Simcoe Centre	PC
Taylor, J. A.	Prince Edward-Lennox	PC
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Turner, J.	Peterborough	PC
Van Horne, R.	London North	L
Villeneuve, O. F.	Stormont-Dundas-Glengarry	PC
Walker, Hon. G.	London South	PC
Warner, D.	Scarborough-Ellesmere	NDP
Watson, A. N.	Chatham-Kent	PC
Welch, Hon. R.	Brock	PC
Wells, Hon. T. L.	Scarborough North	PC
Wildman, B.	Algoma	NDP
Williams, J.	Oriole	PC
Wiseman, Hon. D. J.	Lanark	PC
Worton, H.	Wellington South	L
Yakabuski, P. J.	Renfrew South	PC
Young, F.	Yorkview	NDP
Ziemba, E.	High Park-Swansea	NDP

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Hon. M. E. C. Gregory	Minister without Portfolio
Hon. A. Pope	Minister without Portfolio

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Eaton, R. G. (Middlesex)	Assistant to the Minister of Transportation and Communications
Hodgson, W. (York North)	Assistant to the Minister of Housing
Jones, T. (Mississauga North)	Assistant to the Provincial Secretary for Social Development
Kennedy, R. D. (Mississauga South)	Assistant to the Minister of Education
Lane, J. (Algoma-Manitoulin)	Assistant to the Minister of Northern Affairs
McCaffrey, B. (Armourdale)	Assistant to the Minister of Culture and Recreation
McNeil, R. K. (Elgin)	Assistant to the Minister of Agriculture and Food
Rotenberg, D. (Wilson Heights)	Assistant to the Minister of Intergovernmental Affairs
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Sterling, N. W. (Carleton-Grenville)	Assistant to the Attorney General
Turner, J. (Peterborough)	Assistant to the Minister of Health
Yakabuski, P. J. (Renfrew South)	Assistant to the Minister of Natural Resources

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SPEAKERS IN THIS ISSUE

Auld, Hon. J. A. C.; Minister of Natural Resources (Leeds PC)
Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)
Bennett, Hon. C.; Minister of Housing (Ottawa South PC)
Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
Bounsall, E. J. (Windsor-Sandwich NDP)
Bradley, J. (St. Catharines L)
Breaugh, M. (Oshawa NDP)
Campbell, M. (St. George L)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. (Renfrew North L)
Davidson, M. (Cambridge NDP)
Davis, Hon. W. G.; Premier (Brampton PC)
Di Santo, O. (Downsview NDP)
Eaton, R. G. (Middlesex PC)
Edighoffer, H.; Deputy Speaker (Perth L)
Elgie, Hon. R.; Minister of Labour (York East PC)
Foulds, J. F. (Port Arthur NDP)
Gaunt, M. (Huron-Bruce L)
Germa, M. C. (Sudbury NDP)
Gigantes, E. (Carleton East NDP)
Grossman, Hon. L.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
Haggerty, R. (Erie L)
Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)
Isaacs, C. (Wentworth NDP)
Johnson, J. (Wellington-Dufferin-Peel PC)
Johnston, R. F. (Scarborough West NDP)
Kerrio, V. (Niagara Falls L)
Laughren, F. (Nickel Belt NDP)
Lawlor, P. D. (Lakeshore NDP)
Lupusella, A. (Dovercourt NDP)
MacBeth, J. P.; Acting Speaker (Humber PC)
Mackenzie, R. (Hamilton East NDP)
Martel, E. W. (Sudbury East NDP)
McClellan, R. (Bellwoods NDP)
McGuigan, J. (Kent-Elgin L)
McKessock, R. (Grey L)
McMurtry, Hon. R.; Attorney General; Solicitor General (Eglinton PC)
Miller, G. I. (Haldimand-Norfolk L)
Newman, B. (Windsor-Walkerville L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K.; Minister of Community and Social Services (Kingston and the Islands PC)
Parrott, Hon. H. C.; Minister of the Environment (Oxford PC)
Peterson, D. (London Centre L)
Pope, Hon. A.; Minister without Portfolio (Cochrane South PC)
Reid, T. P. (Rainy River L)
Renwick, J. A. (Riverdale NDP)
Riddell, J. K. (Huron-Middlesex L)
Rotenberg, D. (Wilson Heights PC)
Sargent, E. (Grey-Bruce L)
Smith, S.; Leader of the Opposition (Hamilton West L)
Stephenson, Hon. B.; Minister of Education (York Mills PC)
Sterling, N. W. (Carleton-Grenville PC)
Stokes, Hon. J. E.; Speaker (Lake Nipigon NDP)

Stong, A. (York Centre L)
Sweeney, J. (Kitchener-Wilmot L)
Timbrell, Hon D. R.; Minister of Health (Don Mills PC)
Warner, D. (Scarborough-Ellesmere NDP)
Welch, Hon. R.; Minister of Energy, Deputy Premier (Brock PC)
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
Wildman, B. (Algoma NDP)
Wiseman, Hon. D. J.; Minister of Government Services (Lanark PC)

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DIRECTION DES JOURNAUX ET DES RECHERCHES EN PROCEDURE
ROOM 1640, WHITNEY BLOCK
QUEEN'S PARK, TORONTO, ON M7A 1A2